

sons for the lack of a prohibition.

After thorough review, I have determined that, given that an embargo is currently in effect and given the negotiations towards an international dolphin conservation program in the ETP, sanctions will not be imposed against intermediary nations at this time. Costa Rica, France, Italy, Japan, and Panama will continue to be certified, and we will review their status as intermediary nations under the Marine Mammal Protection

Act, if requested for 1992. I will make further reports to you as developments warrant.

Sincerely,

GEORGE BUSH

Note: Identical letters were sent to Thomas S. Foley, Speaker of the House of Representatives, and Dan Quayle, President of the Senate.

Letter to Congressional Leaders Reporting on the National Emergency With Respect to Libya

January 10, 1992

Dear Mr. Speaker: (Dear Mr. President:)

I hereby report to the Congress on the developments since my last report of July 9, 1991, concerning the national emergency with respect to Libya that was declared in Executive Order No. 12543 of January 7, 1986. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c); section 204(c) of the International Emergency Economic Powers Act ("IEEPA"), 50 U.S.C. 1703(c); and section 505(c) of the International Security and Development Cooperation Act of 1985, 22 U.S.C. 2349aa-9(c).

1. Since my last report on July 9, 1991, the Libyan Sanctions Regulations (the "Regulations"), 31 C.F.R. Part 550, administered by the Office of Foreign Assets Control ("FAC") of the Department of the Treasury, have been amended. One amendment, published on August 5, 1991, 56 *Fed. Reg.* 37156, added the names of 12 companies to Appendix A of the Regulations, which contains a list of organizations determined to be within the definition of the term "Government of Libya" (Specially Designated Nationals of Libya). This amendment also added a new Appendix B, "Individuals Determined to be Specially Designated Nationals of Libya," containing the names of persons determined to be acting, or purporting to act, directly or indirectly on behalf of the Government of Libya. An amendment removing one name from Ap-

pendix B was published on December 20, 1991, 56 *Fed. Reg.* 65993. A further amendment of the Regulations, effective December 19, 1991, 56 *Fed. Reg.* 66334 (Dec. 20, 1991), with a correction published on January 7, 1992, 57 *Fed. Reg.* 525, revoked the authorization set forth in Section 550.514 that permitted transfers between two non-Libyan foreign banks located outside the United States to clear through accounts located in the United States when the money is being sent to or from the Government of Libya. This action was taken as a partial response to evidence of the Government of Libya's role in the bombing of Pan Am Flight 103. Copies of these amendments and correction are enclosed.

2. During the current 6-month period, FAC made numerous decisions with respect to applications for licenses to engage in transactions under the Regulations, issuing three new licenses and amending three previously issued licenses. The new licenses typically permit, for the benefit of U.S. persons, minor transactions of little or no economic benefit to Libya. The license amendments permit several U.S. firms with substantial pre-embargo investments in their Libyan oil concessions to renew standstill agreements preserving their interests despite nonperformance of concession agreements due to the U.S. sanctions.

3. Various enforcement actions mentioned in previous reports continue to be

pursued, and several new investigations of possibly significant violations of the Libyan sanctions were initiated. During the current reporting period, substantial monetary penalties were assessed against U.S. firms for engaging in prohibited transactions with Libya. In one such case, a penalty of \$137,500 was collected from a major U.S. manufacturer, after an investigation developed evidence that it had exported services to Libya and engaged in contracts in support of projects in Libya.

Due to aggressive enforcement efforts and increased public awareness, FAC has received numerous voluntary disclosures from U.S. firms concerning their sanctions violations. Many of these reports were triggered by the recent amendment to the Regulations listing additional organizations and individuals determined to be Specially Designated Nationals ("SDNs") of Libya. For purposes of the Regulations, all dealings with the organizations and individuals listed will be considered dealings with the Government of Libya. All unlicensed transactions with these persons, or in property in which they have an interest, are prohibited. The initial listing of Libyan SDNs is not a static list and will be augmented from time to time as additional organizations or individuals owned or controlled by, or acting on behalf of, the Government of Libya

are identified.

4. The expenses incurred by the Federal Government in the 6-month period from June 15, 1991, through December 14, 1991, that are directly attributable to the exercise of powers and authorities conferred by the declaration of the Libyan national emergency are estimated at \$487,815. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the Office of the General Counsel, and the U.S. Customs Service), the Department of State, and the Department of Commerce.

5. The policies and actions of the Government of Libya continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States. I shall continue to exercise the powers at my disposal to apply economic sanctions against Libya fully and effectively, as long as those measures are appropriate, and will continue to report periodically to the Congress on significant developments as required by law.

Sincerely,

GEORGE BUSH

Note: Identical letters were sent to Thomas S. Foley, Speaker of the House of Representatives, and Dan Quayle, President of the Senate.

Remarks to the American Farm Bureau Federation in Kansas City, Missouri

January 13, 1992

Thank you, Dean Kleckner. It's a great pleasure to be up here with so many supporters of agriculture. First, let me single out Secretary Madigan, who is doing a superb job as our Secretary of Agriculture. A former Illinois Congressman, he knows the farm business inside out, and believe me, agriculture has a good friend in these GATT negotiations with Ed Madigan. I also salute my friend, the Governor of your host State, Governor Ashcroft is with us; plus two great Senators, Jack Danforth and Kit Bond; and then also Congressman Tom

Coleman. All three of these Senators plus this Governor are well-steeped in agriculture. They know the problems. They have been friends to agriculture. And farmers have voiced their support of all three of them plus the Governor over and over again.

I just had a chance just a few minutes ago to meet with the board, your board. It's good to see John White again. I spent the day with him in Chicago last month when I spoke to the Illinois Farm Bureau.