

- The United States, Japan, the World Bank and the ADB are working together to establish this program and identify sources of funding. We will target mobilizing \$5 billion in bilateral and multilateral support available initially, which we expect will leverage substantial new private financing.

Second, increased trade finance to give Asian companies greater access to funds they need to revive production and create jobs. Both the Japanese and the United States Export-Import Banks as well as Japan Export and Investment Insurance (EID/MITI) will contribute to this part of the initiative.

Third, efforts to mobilize new private sector capital to help Asian companies rebuild their balance sheets and move forward quickly with restructuring so they can make new investments and grow again. These efforts will be led by the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA), the United States Overseas Private Investment Corporation (OPIC), and EID/MITI.

Fourth, enhanced technical assistance, to help equip countries with the expertise they need to overcome the complex financial and corporate restructuring issues they face.

To finalize the details of this initiative we will host a meeting in Tokyo shortly, bringing together senior officials and technical experts from the United States, Japan, and other Asian economies and the multilateral institutions. Japan and the United States welcome the participation of other economies in this initiative and encourage any interested economies to attend this meeting. The entire international community has a stake in restoring economic growth in Asia. By helping to accelerate the pace of restructuring and mobilizing renewed access to private financing, the Asian Growth and Recovery Initiative will make an important contribution toward that goal.

NOTE: An original was not available for verification of the content of this joint statement.

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

November 16, 1998

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

I hereby report to the Congress on developments since the last Presidential report of May 13, 1998, concerning the national emergency with respect to Iran that was declared in Executive Order 12170 of November 14, 1979. This report is submitted pursuant to section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c)(IEEPA). This report covers events through September 30, 1998. My last report, dated May 13, 1998, covered events through March 31, 1998.

1. There have been no amendments to the Iranian Assets Control Regulations, 31 CFR Part 535 (the "IACR"), since my last report.

2. The Iran-United States Claims Tribunal (the "Tribunal"), established at The Hague pursuant to the Algiers Accords, continues to make progress in arbitrating the claims before it. Since the period covered in my last report, the Tribunal has rendered three awards. This brings the total number of awards rendered by the

Tribunal to 588, the majority of which have been in favor of U.S. claimants. As of September 30, 1998, the value of awards to successful U.S. claimants paid from the Security Account held by the NV Settlement Bank was \$2,501,515,655.22.

Since my last report, Iran has failed to replenish the Security Account established by the Algiers Accords to ensure payment of awards to successful U.S. claimants. Thus, since November 5, 1992, the Security Account has continuously remained below the \$500 million balance required by the Algiers Accords. As of September 30, 1998, the total amount in the Security Account was \$107,563,705.15, and the total amount in the Interest Account was \$26,226,833.16. Therefore, the United States continues to pursue Case No. A/28, filed in September 1993, to require Iran to meet its obligation under the Algiers Accords to replenish the Security Account.

The United States also continues to pursue Case No. A/29 to require Iran to meet its obligation of timely payment of its equal share of advances for Tribunal expenses when directed to do so by the Tribunal.

3. The Department of State continues to present other United States Government claims against Iran and to respond to claims brought against the United States by Iran, in coordination with concerned government agencies.

On April 20, 1998, the United States filed a major submission in Case No. B/1, a case in which Iran seeks repayment for alleged wrongful charges to Iran over the life of its Foreign Military Sales (FMS) program, including the costs of terminating the program. The April filing addressed liability for the costs arising out of termination of the FMS program.

Under the February 22, 1996, settlement agreement related to the Iran Air case before the International Court of Justice and Iran's bank-related claims against the United States before the Tribunal (see report of May 16, 1996), the Department of State has been processing payments. As of September 30, 1998, the Department has authorized payment to U.S. nationals totaling \$17,521,261.89 for 55 claims against Iranian banks. The Department has also authorized payments to surviving family members of 228 Iranian victims of the aerial incident, totaling \$56,550,000.

On June 5, 1998, the full Tribunal issued an award in Case No. A/27. The Tribunal held that, because of decisions of a United States District Court and Court of Appeals declining to enforce the Tribunal's July 1988 award to Iran in *Avco v. Iran*, the United States violated its obligation under the Algiers Accords to ensure that Tribunal awards be treated as binding.

On June 17, 1998, the Tribunal issued an order in Case No. B/61, in which Iran seeks compensation for the alleged non-transfer of certain military property. The order dismissed certain claims on grounds that they were duplicative of claims in other cases.

In Case No. A/30, a case in which Iran alleges that the United States has violated paragraphs 1 and 10 of the General Declaration of the

Algiers Accords, based on an alleged covert action program aimed at Iran and U.S. sanctions, the United States and Iran filed submissions in response to Iran's request that the Tribunal require the United States to produce classified intelligence information.

4. U.S. nationals continue to pursue claims against Iran at the Tribunal. Since my last report, the Tribunal has issued awards in two private claims. On July 2, 1998, Chamber Two issued an award in *Kamran Hakim v. Iran*, AWD No. 587-953-2, ordering Iran to pay the claimant \$691,611 plus interest as compensation for measures that deprived the claimant of his interest in a company he had established. The Tribunal dismissed claims regarding parcels of real property on grounds that, in certain instances, the claimant failed to prove expropriation or other measures affecting property rights, and failed in other instances to prove ownership.

On July 8, 1998, Chamber One issued an award in *Brown & Root, Inc. v. Iran*, AWD No. 588-432-1, giving effect to a settlement agreement between the parties, ordering Iran to pay the claimant \$16,718,214.

5. The situation reviewed above continues to implicate important diplomatic, financial, and legal interests of the United States and its nationals and presents an unusual challenge to the national security and foreign policy of the United States. The Iranian Assets Control Regulations issued pursuant to Executive Order 12170 continue to play an important role in structuring our relationship with Iran and in enabling the United States to implement properly the Algiers Accords. I shall continue to exercise the powers at my disposal to deal with these problems and will continue to report periodically to the Congress on significant developments.

WILLIAM J. CLINTON

The White House,
November 16, 1998.

NOTE: Identical letters were sent to Newt Gingrich, Speaker of the House of Representatives, and Albert Gore, Jr., President of the Senate.