

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. On January 3, 1996, I renewed for another year the national emergency with respect to Libya pursuant to IEEPA. This renewal extended the current comprehensive financial and trade embargo against Libya in effect since 1986. Under these sanctions, all trade with Libya is prohibited, and all assets owned or controlled by the Libyan government in the United States or in the possession or control of U.S. persons are blocked.

2. There has been one amendment to the Libyan Sanctions Regulations, 31 C.F.R. Part 550 (the "Regulations"), administered by the Office of Foreign Assets Control (FAC) of the Department of the Treasury, since my last report on July 12, 1995. The amendment (60 Fed. Reg. 37940-37941, July 25, 1995) added three hotels in Malta to appendix A, Organizations Determined to Be Within the Term "Government of Libya" (Specifically Designated Nationals (SDNs) of Libya). A copy of the amendment is attached to this report.

Pursuant to section 550.304(a) of the Regulations, FAC has determined that these entities designated as SDNs are owned or controlled by, or acting or purporting to act directly or indirectly on behalf of, the Government of Libya, or are agencies, instrumentalities, or entities of that government. By virtue of this determination, all property and interests in property of these entities that are in the United States or in the possession or control of U.S. persons are blocked. Further, U.S. persons are prohibited from engaging in transactions with these entities unless the transactions are licensed by FAC. The designations were made in consultation with the Department of State.

3. During the current 6-month period, FAC made numerous decisions with respect to applications for licenses to engage in transactions under the Regulations, issuing 54 licensing determinations—both approvals and denials. Consistent with FAC's ongoing scrutiny of banking transactions, the largest category of license approvals (20) concerned requests by Libyan and non-Libyan persons or entities to unblock transfers interdicted because of an apparent Government of Libya interest. A license was also issued to a local taxing authority to foreclose on a property owned by the Government of Libya for failure to pay property tax arrearages.

4. During the current 6-month period, FAC continued to emphasize to the international banking community in the United States the importance of identifying and blocking payments made on or behalf of Libya. The Office worked closely with the banks to implement new interdiction software systems to identify such payments. As a result, during the reporting period,

more than 107 transactions potentially involving Libya, totaling more than \$26.0 million, were interdicted. As of December 4, 23 of these transactions had been authorized for release, leaving a net amount of more than \$24.6 million blocked.

Since my last report, FAC collected 27 civil monetary penalties totaling more than \$119,500, for violations of the U.S. sanctions against Libya. Fourteen of the violations involved the failure of banks or credit unions to block funds transfers to Libyan-owned or -controlled banks. Two other penalties were received from corporations for export violations or violative payments to Libya for unlicensed trademark transactions. Eleven additional penalties were paid by U.S. citizens engaging in Libyan oilfield-related transactions while another 40 cases involving similar violations are in active penalty processing.

In November 1995, guilty verdicts were returned in two cases involving illegal exportation of U.S. goods to Libya. A jury in Denver, Colorado, found a Denver businessman guilty of violating the Regulations and IEEPA when he exported 50 trailers from the United States to Libya in 1991. A Houston, Texas, jury found three individuals and two companies guilty on charges of conspiracy and violating the Regulations and IEEPA for transactions relating to the 1992 shipment of oilfield equipment from the United States to Libya. Also in November, a Portland, Oregon, lumber company entered a two-count felony information plea agreement for two separate shipments of U.S.-origin lumber to Libya during 1993. These three actions were the result of lengthy criminal investigations begun in prior reporting periods. Several other investigations from prior reporting periods are continuing and new reports of violations are being pursued.

5. The expenses incurred by the Federal Government in the 6-month period from July 6, 1995, through January 5, 1996, that are directly attributable to the exercise of powers and authorities conferred by the declaration of the Libyan national emergency are estimated at approximately \$990,000. 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.

6. 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. In adopting UNSCR 883 in November 1993, the Security Council determined that the continued failure of the Government of Libya to demonstrate by concrete actions its renunciation of terrorism, and in particular its continued failure to respond fully and effectively to the requests and decisions of the Security

Council in Resolutions 731 and 748, concerning the bombing of the Pan Am 103 and UTA 772 flights, constituted a threat to international peace and security. The United States will continue to coordinate its comprehensive sanctions enforcement efforts with those of other U.N. member states. We remain determined to ensure that the perpetrators of the terrorist acts against Pan Am 103 and UTA 772 are brought to justice. The families of the victims in the murderous Lockerbie bombing and other acts of Libyan terrorism deserve nothing less. I shall continue to exercise the powers at my disposal to apply economic sanctions against Libya fully and effectively, so long as those measures are appropriate, and will continue to report periodically to the Congress on significant developments as required by law.

WILLIAM J. CLINTON.

THE WHITE HOUSE, January 22, 1996.

#### COMMUNICATION FROM THE HONORABLE MARTIN R. HOKE, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from the Honorable MARTIN R. HOKE, Member of Congress:

CONGRESS OF THE UNITED STATES,

Washington, DC, January 3, 1996.

Hon. NEWT GINGRICH,  
Speaker of the House,  
The Capitol, Washington, DC.

DEAR MR. SPEAKER: Pursuant to Rule L (50) of the Rules of the House of Representatives, this is to formally notify you that Thomas B. Boutall of my district office in Fairview Park, Ohio, has been served with a subpoena that was issued by the Cuyahoga County Court of Common Pleas (Ohio) in the matter of *Nix v. Hill*.

After consultation with the Office of General Counsel, it has been determined that compliance with the subpoena is consistent with the precedents and privileges of the U.S. House of Representatives.

Very truly yours,

MARTIN R. HOKE,  
Member of Congress.

#### SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Dakota [Mr. POMEROY] is recognized for 5 minutes.

[Mr. POMEROY addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

#### EFFECT OF DEFAULTING ON THE NATIONAL DEBT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. BENTSEN] is recognized for 5 minutes.

Mr. BENTSEN. Mr. Speaker, I am a new Member in this body and I am not

one who comes down to the well to speak often, but having read through the papers this weekend and particularly today, I have become quite alarmed as a new Member of this 104th Congress to see that once again the majority leader and the majority party are advocating that we should default on our national debt. That is something that the United States, unlike many countries, has never done.

Mr. Speaker, it is something, if we were to default on the Treasury debt, that would preclude us from making payments to Social Security recipients, would preclude us from making payments to veterans benefits, but perhaps even more alarming is it would cause a dramatic rise in interest rates across the United States, affecting homeowners, people who are trying to buy their first home, families, people who are trying to take out loans to buy a car, kids who are trying to take out loans to go to college.

Quite frankly, it would probably drive this country into a recession, hardly a wise economic policy of the new majority.

But, Mr. Speaker, when you combine that with what the majority is proposing at this point in time after we have come off of what effectively has been a 3-week recess or adjournment, it now appears the majority has decided that we should adjourn until February 26 after we adjourn this Thursday.

Mr. Speaker, I started thinking about all the legislation that has not passed in this 104th Congress. We still are in a budget crisis, we still have not passed a number of our appropriations bills. But then the list goes on. We have the bank modernization, which is stalled. We have telecommunications reform, which is stalled. We have Superfund, which is stalled. We have not even taken up the water resources bill. We have immigration reform, which is stalled. We have housing reform, which is stalled. There is no talk of health care reform. But my constituents still ask about it. We have the safe drinking water bill, which is stalled. We have the clean water bill, which is stalled. We have the farm bill, which has heretofore disappeared.

Now, Mr. Speaker, it would appear in this monumental Congress, after 40 years of being in the minority, that the new majority, the Republican majority, would do something about it. While I was not around when Harry Truman was president and talked about the 83d Congress back in the 1950's as the do-nothing Congress, it would appear what we have now is the failed 104th, the failed 104th, which is incapable of doing the Nation's business.

Ms. LOFGREN. Mr. Speaker, will the gentleman yield?

Mr. BENTSEN. I yield to the gentleman from California.

Ms. LOFGREN. Mr. Speaker, as the gentleman is aware, I mentioned earlier this afternoon my concern that the Securities and Exchange Commission

is supposed to run out of money completely on Friday. I know the gentleman has a strong background in financial markets. I am wondering what is his point about the debt ceiling, defaulting on the debt while the Securities and Exchange Commission has to shut down. Would that be helpful to America's markets and the economy of not only America, but the world?

Mr. BENTSEN. Reclaiming my time, I thank the gentlewoman from California for commenting. The fact that under our system of finance the companies would not be able to go public and raise capital so they could create new jobs is ridiculous. We have an economic rebound going on, we have GDP growing at a rate of about 2 to 3 percent right now. What we want are companies raising capital, investing in their infrastructure and their human capital potential to create more jobs.

Yet this Congress, under the Republican majority, believes we ought to shut down the Securities and Exchange Commission, we ought to shut down contracts for large companies like Rockwell and others that are working on the space shuttle and the space station so people will get laid off; we ought to default on the national debt so interest rates go up, companies lay people off.

That is not an economic strategy, that is an economic disaster.

Ms. LOFGREN. Mr. Speaker, for a further question, I know that I was in local government for many years, a year ago I was sitting in a local government office, and I had the opportunity to speak to some of my former colleagues over this 3-week break period. They are having a very tough time putting their budget together, because they do not know what the Federal Government is going to do. So I know that had I been back where I was year ago, no way would they walk away and adjourn for a month's paid vacation without this job done.

But I am aware a year ago you were in the private sector in the business world. I am wondering, in the private sector employment, would a man in your position have taken a month's paid vacation with this amount of work done?

Mr. BENTSEN. Absolutely not. This is no way to run a country. This is certainly a revolution, but it is the wrong kind of revolution.

#### THE BUDGET AND THE ROLE OF GOVERNMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina [Mrs. CLAYTON] is recognized for 5 minutes.

Mrs. CLAYTON. Mr. Speaker, it greatly concerns me, and I believe it concerns most Americans, that we may face the prospect of not having a budget this year. As we consider the proper role of Government, let us not forget the natural dangers we face.

Over the past days and weeks, many of the Northeast have been held in the grip of inclement weather.

First, it was record-level snow that shut down the Government, without one Member of Congress being here. More recently, it was uncontrollable flooding that left many unable to function and caused one of our largest States, Pennsylvania, to make a public appeal for Federal intervention.

If nothing else proves that we need a Federal Government that works and works for all of us—it is nature's wrath that makes the point. I hope the pundits are wrong—I hope we will pass a budget that is not only cost efficient, but civil.

We have terrestrial problems that we cannot handle. We do not need to create more problems by functioning in a less than civil way and by failing to govern.

□ 1430

#### STATE OF THE UNION

The SPEAKER pro tempore (Mr. EVERETT). Under the Speaker's announced policy of May 12, 1995, the gentleman from New York [Mr. OWENS] is recognized for 60 minutes as the designee of the minority leader.

Mr. OWENS. Mr. Speaker, we are about to begin the business of the 104th Congress again, the second year of this session. Tomorrow we will hear the State of the Union Address from the President. I look forward to that State of the Union Address.

The State of the Union Address, I think, will point us the way for the immediate future. The State of the Union also might certainly size up where we are at this point. There are a lot of good things that can be cited in that State of the Union Address. A lot of great things have been accomplished by this President. The Union is in a much better state in many ways and the world is in a much better state in many ways than it was before he became President.

I take this opportunity to celebrate the liberation of Haiti. Haiti has a situation now which has moved like clockwork toward a permanent democracy. Everything that was promised by General Bertrand Aristide and his leadership has been allowed to unfold. Elections have been held.

President Aristide will be resigning, stepping down next month. President Aristide will be replaced by a president who has been elected by the people of Haiti. The entire hemisphere benefits from this stabilization of Haiti because it sent a message to all the other criminals who wanted to take over. All the criminal military regimes that might have wanted to raise their ugly heads and try to take over their governments from duly elected representatives have certainly not done so. We have a more stable hemisphere. We can look forward to have democracy expanding in this hemisphere as a result