

get the government back on its feet? Will you lend a hand to us in arming the Bosnian Government so it can defend itself when we leave?

Essentially, we got the cold shoulder. They do not want to talk about it. It requires money and requires a commitment.

They want to pat themselves on the back for the military operation which is succeeding well and not get to the hard business of making the peace work in Bosnia. My concern with going into Bosnia is not that we would not be able to succeed militarily, but this is an insufficient commitment on the part of the Europeans to follow through and make peace work. That is what we have seen.

This morning's wire, Mr. President, contains a very disturbing story. In an ominous sign from the AP wire story, "Bosnian Serbs followed through today on their threat to sever with the NATO-led peace force ties because of the government's arrest of two Serb officers at suspected war criminals."

They lost all top level contact with the Bosnian Serb Army and the ground commander said it was the worst crisis in Bosnia since the peace took hold 2 months ago.

"The commander, Lt. Gen. Sir Michael Walker, characterized the development as an ominous sign and direct breach of the Bosnian peace accord."

At the same time, I note that the Chairman of the United States Joint Chiefs of Staff, John Shalikashvili, urged the Bosnian Government to immediately release Serbs against whom there is no evidence of participating in war crimes.

Does that mean the two people arrested are being held? Very unclear. There is a total lack of cohesion because there has not been an agreement by the NATO allied forces of exactly what we are supposed to be doing over there, except keeping the warring sides from fighting with each other.

There is an absolute commitment to leave in the year. The Europeans say they will leave when we leave. When we are out of Bosnia next October, I can only hope that the Europeans have gotten together and have made a stronger commitment than they have so far to help rebuild that economy and that government and to deal with the war crimes issue and the arming of the Bosnian Government so that when we leave all we accomplished will not have been for nothing. I especially have reference to one U.S. death and other U.S. casualties.

I want to be able to say, when this is over with, that they did not die in vain. I am afraid if we do not get more co-operation from our European allies, that we will not be able to say that, and that will be a very, very big shame and a blot on the United States as well as our European allies.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

#### EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

#### REPORT ON THE NATIONAL EMERGENCY WITH RESPECT TO IRAQ—MESSAGE FROM THE PRESIDENT—PM 118

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

*To the Congress of the United States:*

I hereby report to the Congress on the developments since my last report on August 1, 1995, concerning the national emergency with respect to Iraq that was declared in Executive Order No. 12722 of August 2, 1990. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c).

Executive Order No. 12722 ordered the immediate blocking of all property and interests in property of the Government of Iraq (including the Central Bank of Iraq) then or thereafter located in the United States or within the possession or control of a U.S. person. That order also prohibited the importation into the United States of goods and services of Iraqi origin, as well as the exportation of goods, services, and technology from the United States to Iraq. The order prohibited travel-related transactions to or from Iraq and the performance of any contract in support of any industrial, commercial, or governmental project in Iraq. U.S. persons were also prohibited from granting or extending credit or loans to the Government of Iraq.

The foregoing prohibitions (as well as the blocking of Government of Iraq property) were continued and augmented on August 9, 1990, by Executive Order No. 12724, which was issued in order to align the sanctions imposed by the United States with United Nations Security Council Resolution 661 of August 6, 1990.

Executive Order No. 12817 was issued on October 21, 1992, to implement in

the United States measures adopted in United Nations Security Council Resolution 778 of October 2, 1992. Resolution 778 requires U.N. Member States to transfer to a U.N. escrow account any funds (up to \$200 million apiece) representing Iraqi oil sale proceeds paid by purchasers after the imposition of U.N. sanctions on Iraq, to finance Iraq's obligations for U.N. activities with respect to Iraq, such as expenses to verify Iraqi weapons destruction, and to provide humanitarian assistance in Iraq on a nonpartisan basis. A portion of the escrowed funds also funds the activities of the U.N. Compensation Commission in Geneva, which handles claims from victims of the Iraqi invasion and occupation of Kuwait. Member States also may make voluntary contributions to the account. The funds placed in the escrow account are to be returned, with interest, to the Member States that transferred them to the United Nations, as funds are received from future sales of Iraqi oil authorized by the U.N. Security Council. No Member State is required to fund more than half of the total transfers or contributions to the escrow account.

This report discusses only matters concerning the national emergency with respect to Iraq that was declared in Executive Order No. 12722 and matters relating to Executive Orders No. 12724 and 12817 (the "Executive orders"). The report covers events from August 2, 1995, through February 1, 1996.

1. During the reporting period, there were no amendments to the Iraqi Sanctions Regulations.

2. The Department of the Treasury's Office of Foreign Assets Control (FAC) continues its involvement in lawsuits seeking to prevent the unauthorized transfer of blocked Iraqi assets. In *Consarc Corporation v. Iraqi Ministry of Industry and Minerals*, No. 94-5390 (D.C. Cir. Dec. 15, 1995), the U.S. Court of Appeals for the D.C. Circuit issued its second opinion in this case, finding in FAC's favor on all issues presented to the court. The court ordered the district court judge to direct Consarc Corporation to restore the status quo by returning \$6.4 million plus interest to the blocked Iraqi government account from which it was withdrawn after the district court erroneously held that these funds were not blocked Iraqi government property. The court also found that the unsold furnace manufactured for the Iraqi government and sales proceeds of a second furnace were blocked property. Finally, the court reversed the district court's ruling that Consarc held a specific claim against a blocked Iraqi government account for \$6.4 million, holding that any claim Consarc had against the Government of Iraq was as a general creditor only.

Investigations of possible violations of the Iraqi sanctions continue to be pursued and appropriate enforcement actions taken. Several cases from prior

reporting periods are continuing and recent additional allegations have been referred by FAC to the U.S. Customs Service for investigation. Additional FAC civil penalty notices were prepared during the reporting period for violations of the International Emergency Economic Powers Act and Iraqi Sanctions Regulations with respect to transactions involving Iraq. On *de minimis* penalty has been collected from an organization for unlicensed exports in violation of the prohibitions against transactions involving Iraq. Several other penalty proceedings are pending completion.

3. Investigation also continues into the roles played by various individuals and firms outside Iraq in the Iraqi government procurement network. These investigations may lead to additions to FAC's listing of individuals and organizations determined to be Specially Designated Nationals (SDNs) of the Government of Iraq.

4. Pursuant to Executive Order No. 12817 implementing United Nations Security Council Resolution 778, on October 26, 1992, FAC directed the Federal Reserve Bank of New York to establish a blocked account for receipt of certain post-August 6, 1990, Iraqi oil sales proceeds, and to hold, invest, and transfer these funds as required by the order. On September 5, 1995, following payments by the Governments of Australia (\$216,350.00), Denmark (\$168,985.00), Japan (\$4,075,000.00), The Netherlands (\$4,168,745.47), New Zealand (\$67,050.00), Switzerland (\$265,108.20), and by the European Union (\$647,463.31), respectively, to the special United Nations-controlled account, entitled, "United Nations Security Council Resolution 778 Escrow Account," the Federal Reserve Bank of New York was directed to transfer a corresponding amount of \$9,606,711.98 from the blocked account it holds to the United Nations-controlled account. Similarly, on October 30, 1995, following the payment of \$1,504,000.00 by the European Community, and payments by the Governments of Germany (\$355,871.89), The Netherlands (\$2,698,348.13), Norway (\$199,983.00), and the United Kingdom (\$2,188,992.67), the Federal Reserve Bank of New York was directed to transfer a corresponding amount of \$6,947,195.69 to the United Nations-controlled account. Finally, on December 21, 1995, following the payment of \$3,062,197.28 by the European Union, and payments by the Governments of the Netherlands (\$1,922,719.00), Sweden (\$4,223,178.20), and the United Kingdom (\$208,600.44), the Federal Reserve Bank of New York was directed to transfer the amount of \$8,313,066.13 to the United Nations-controlled account. Cumulative transfers from the blocked Federal Reserve Bank of New York account since issuance of Executive Order No. 12817 now have amounted to \$200 million, fully satisfying the U.S. commitment to match the payments of other Member States from blocked Iraqi oil payments, and its obligations

pursuant to United Nations Security Council Resolution 778.

5. The Office of Foreign Assets Control has issued a total of 618 specific licenses regarding transactions pertaining to Iraq or Iraqi assets since August 1990. Licenses have been issued for transactions such as the filing of legal actions against Iraqi governmental entities, legal representation of Iraq, and the exportation to Iraq of donated medicine, medical supplies, food intended for humanitarian relief purposes, the execution of powers of attorney relating to the administration of personal assets and decedents' estates in Iraq and the protection of preexistent intellectual property rights in Iraq. Since my last report, 28 specific licenses have been issued.

6. The expenses incurred by the Federal Government in the 6-month period from August 2, 1995, through February 1, 1996, that are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to Iraq are reported to be about \$1.6 million, most of which represents wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the U.S. Customs Service, the Office of the Under Secretary for Enforcement, and the Office of the General Counsel), the Department of State (particularly the Bureau of Economic and Business Affairs, the Bureau of Near Eastern Affairs, the Bureau of International Organization Affairs, the Bureau of Political-Military Affairs, the U.S. Mission to the United Nations, and the Office of the Legal Adviser), and the Department of Transportation (particularly the U.S. Coast Guard).

7. The United States imposed economic sanctions on Iraq in response to Iraq's illegal invasion and occupation of Kuwait, a clear act of brutal aggression. The United States, together with the international community, is maintaining economic sanctions against Iraq because the Iraqi regime has failed to comply fully with the United Nations Security Council resolutions. Security Council resolutions on Iraq call for the elimination of Iraqi weapons of mass destruction, Iraqi recognition of Kuwait, and the inviolability of the Iraq-Kuwait boundary, the release of Kuwaiti and other third-country nationals, compensation for victims of Iraqi aggression, long-term monitoring of weapons of mass destruction capabilities, the return of Kuwaiti assets stolen during Iraq's illegal occupation of Kuwait, renunciation of terrorism, an end to internal Iraqi repression of its own Iraqi civilian population, and the facilitation of access of international relief organizations to all those in need in all parts of Iraq. More than 5 years after the invasion, a pattern of defiance persists: a refusal to account for missing Kuwaiti detainees; failure to return Kuwaiti property worth millions of dollars, including

military equipment that was used by Iraq in its movement of troops to the Kuwaiti border in October 1994; sponsorship of assassinations in Lebanon and in northern Iraq; incomplete declarations to weapons inspectors; and ongoing widespread human rights violations. As a result, the U.N. sanctions remain in place; the United States will continue to enforce those sanctions under domestic authority.

The Baghdad government continues to violate basic human rights of its own citizens through systematic repression of minorities and denial of humanitarian assistance. The Government of Iraq has repeatedly said it will not be bound by United Nations Security Council Resolution 688. For more than 4 years, Baghdad has maintained a blockade of food, medicine, and other humanitarian supplies against northern Iraq. The Iraqi military routinely harasses residents of the north, and has attempted to "Arabize" the Kurdish, Turcomen, and Assyrian areas in the north. Iraq has not relented in its artillery attacks against civilian population centers in the south, or in its burning and draining operations in the southern marshes, which have forced thousands to flee to neighboring States.

In April 1995, the U.N. Security Council adopted Resolution 986 authorizing Iraq to export limited quantities of oil (up to \$1 billion per quarter) under U.N. supervision in order to finance the purchase of food, medicine, and other humanitarian supplies. The resolution includes arrangements to ensure equitable distribution of such assistance to all the people of Iraq. The resolution also provides for the payment of compensation to victims of Iraqi aggression and for the funding of other U.N. activities with respect to Iraq. Resolution 986 was carefully crafted to address the issues raised by Iraq to justify its refusal to implement similar humanitarian resolutions adopted in 1991 (Resolutions 706 and 712), such as oil export routes and questions of national sovereignty. Nevertheless, Iraq refused to implement this humanitarian measure. This only reinforces our view that Saddam Hussein is unconcerned about the hardships suffered by the Iraqi people.

The policies and actions of the Saddam Hussein regime continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States, as well as to regional peace and security. The U.N. resolutions affirm that the Security Council be assured of Iraq's peaceful intentions in judging its compliance with sanctions. Because of Iraq's failure to comply fully with these resolutions, the United States will continue to apply economic sanctions to deter it from threatening peace and stability in the region.

WILLIAM J. CLINTON.

THE WHITE HOUSE, February 9, 1996.

REPORT ON THE NATIONAL EMERGENCY WITH RESPECT TO THE MIDDLE EAST PEACE PROCESS—MESSAGE FROM THE PRESIDENT—PM 119

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

*To the Congress of the United States:*

I hereby report to the Congress on the developments concerning the national emergency with respect to organizations that threaten to disrupt the Middle East peace process that was declared in Executive Order No. 12947 of January 23, 1995. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(c).

1. On January 23, 1995, I signed Executive Order 12947, "Prohibiting Transactions with Terrorists Who Threaten to Disrupt the Middle East Peace Process" (the "order") (60 *Fed. Reg.* 5079, January 25, 1995). The order blocks all property subject to U.S. jurisdiction in which there is any interest of 12 terrorist organizations that threaten the Middle East peace process as identified in an Annex to the order. The order also blocks the property and interests in property subject to U.S. jurisdiction of persons designated by the Secretary of State, in coordination with the Secretary of the Treasury and the Attorney General, who are found (1) to have committed, or to pose a significant risk of committing, acts of violence that have the purpose or effect of disrupting the Middle East peace process, or (2) to assist in, sponsor or provide financial, material, or technological support for, or services in support of, such acts of violence. In addition, the order blocks all property and interests in property subject to U.S. jurisdiction in which there is any interest of persons determined by the Secretary of the Treasury, in coordination with the Secretary of State and the Attorney General, to be owned or controlled by, or to act for or on behalf of, any other person designated pursuant to the order (collectively "Specially Designated Terrorists" or "SDTs").

The order further prohibits any transaction or dealing by a United States person or within the United States in property or interests in property of SDTs, including the making or receiving of any contribution of funds, goods, or services to or for the benefit of such persons. This prohibition includes donations that are intended to relieve human suffering.

Designations of persons blocked pursuant to the order are effective upon the date of determination by the Secretary of State or his delegate, or the Director of the Office of Foreign Assets Control (FAC) acting under authority

delegated by the Secretary of the Treasury. Public notice of blocking is effective upon the date of filing with the *Federal Register*, or upon prior actual notice.

2. On January 25, 1995, the Department of the Treasury issued a notice listing persons blocked pursuant to Executive Order No. 12947 who have been designated by the President as terrorist organizations threatening the Middle East peace process or who have been found to be owned or controlled by, or to be acting for or on behalf of, these terrorist organizations (60 *Fed. Reg.* 5084, January 25, 1995). The notice identified 31 entities that act for or on behalf of the 12 Middle East terrorist organizations listed in the Annex to Executive Order No. 12947, as well as 18 individuals who are leaders or representatives of these groups. In addition the notice provides 9 name variations or pseudonyms used by the 18 individuals identified. The list identifies blocked persons who have been found to have committed, or to pose a risk of committing, acts of violence that have the purpose of disrupting the Middle East peace process or to have assisted in, sponsored, or provided financial, material or technological support for, or service in support of, such acts of violence, or are owned or controlled by, or to act for or on behalf of other blocked persons. The Department of the Treasury issued three additional notices adding the names of three individuals, as well as their pseudonyms, to the List of SDTs (60 *Fed. Reg.* 41152-53, August 11, 1995; 60 *Fed. Reg.* 44932-33, August 29, 1995; and 60 *Fed. Reg.* 58435-36, November 27, 1995). Copies of the notices are attached to this report. The FAC, in coordination with the Secretary of State and the Attorney General, is continuing to expand the list of Specially Designated Terrorists, including both organizations and individuals, as additional information is developed.

3. The expenses incurred by the Federal Government in the 6-month period from July 23, 1995, through January 22, 1996, that are directly attributable to the exercise of powers and authorities conferred by the declaration of the national emergency with respect to organizations that disrupt the Middle East peace process are estimated at approximately \$2.6 million. (The expenses for the previous period, incorrectly stated in the report of July 27, 1995, to be approximately \$55,000, were about \$2.5 million.) 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 Justice.

4. Executive Order No. 12947 provides this Administration with a new tool for combating fundraising in this country on behalf of organizations that use terror to undermine the Middle East peace process. The order makes it harder for such groups to finance these criminal

activities by cutting off their access to sources of support in the United States and to U.S. financial facilities. It is also intended to reach charitable contributions to designated organizations and individuals to preclude diversion of such donations to terrorist activities.

In addition, the Congress has pending before it comprehensive counterterrorism legislation proposed by the Administration that would strengthen our ability to prevent terrorist acts, identify those who carry them out, and bring them to justice. The combination of Executive Order No. 12947 and the proposed legislation demonstrate the U.S. determination to confront and combat those who would seek to destroy the Middle East peace process, and our commitment to the global fight against terrorism.

I shall continue to exercise the powers at my disposal to apply economic sanctions against extremists seeking to destroy the hopes of peaceful coexistence between Arabs and Israelis as long as these measures are appropriate, and will continue to report periodically to the Congress on significant developments pursuant to 50 U.S.C. 1703(c).

WILLIAM J. CLINTON.

THE WHITE HOUSE, February 9, 1996.

REPORT ON THE AGREEMENT BETWEEN THE UNITED STATES AND THE REPUBLIC OF POLAND—MESSAGE FROM THE PRESIDENT—PM 120

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Commerce, Science, and Transportation.

*To the Congress of the United States:*

In accordance with the Magnuson Fishery Conservation and Management Act of 1976 (16 U.S.C. 1801 *et seq.*), I transmit herewith an Agreement between the Government of the United States of America and the Government of the Republic of Poland Extending the Agreement of August 1, 1985, as amended, Concerning Fisheries Off the Coasts of the United States ("the 1985 Agreement"). The Agreement, which was effected by an exchange of notes at Warsaw on December 15 and 20, 1995, extends the 1985 Agreement to December 31, 1997.

In light of the importance of our fisheries relationship with the Republic of Poland, I urge that the Congress give favorable consideration to this Agreement at an early date.

WILLIAM J. CLINTON.

THE WHITE HOUSE, February 9, 1996.

REPORT WITH RESPECT TO JAPAN—MESSAGE FROM THE PRESIDENT—PM 121

The PRESIDING OFFICER laid before the Senate the following message