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House of Representatives

The House met at 2 p.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Let us pray, using the words of St. Francis:

"Lord, make us instruments of Your peace; where there is hatred, let us sow love; where there is injury, pardon; where there is doubt, faith; where there is despair, hope; where there is darkness, light; and where there is sadness, joy.

"Oh, Divine Master, grant that I may not so much seek to be consoled as to console; to be understood as to understand; to be loved as to love, for it is in giving that we receive; it is in pardoning that we are pardoned, and it is in dying that we are born to eternal life." Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from California [Mr. ROGAN] come forward and lead the House in the Pledge of Allegiance.

Mr. ROGAN led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT AS MEMBERS OF NATIONAL CIVIL AVIATION REVIEW COMMISSION

The SPEAKER. Pursuant to the provisions of section 274(b)(2) of Public Law 104-264, the Chair appoints to the

National Civil Aviation Review Commission the following members on the part of the House:

Mr. John J. O'Connor, Philadelphia, PA;

Mr. Dr. Scott Yohe, Washington, DC.

COMMUNICATION FROM THE HON. RICHARD A. GEPHARDT, DEMOCRATIC LEADER

The SPEAKER laid before the House the following communication from the Hon. RICHARD A. GEPHARDT, Democratic leader:

CONGRESS OF THE UNITED STATES,
OFFICE OF THE DEMOCRATIC LEADER,
Washington, DC, March 17, 1997.

Hon. NEWT GINGRICH,
Speaker of the House,
House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Pursuant to section 274(b)(2) of Public Law 104-264, I hereby appoint the following individuals to the National Civil Aviation Review Commission: Col. Leonard Griggs (Retired) of Chesterfield, MO, Mr. John O'Brien of Lovettsville, VA.

Yours very truly,
RICHARD A. GEPHARDT.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC, March 17, 1997.

Hon. NEWT GINGRICH,
The Speaker,
U.S. House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House on Friday, March 14th at 4:35 p.m. and said to contain a message from the President wherein he sub-

mits a 6-month periodic report on the national emergency with respect to Iran.

With warm regards,
ROBIN H. CARLE,
Clerk, U.S. House of Representatives.

REPORT ON CONTINUING NATIONAL EMERGENCY WITH RESPECT TO IRAN—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 105-53)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on International Relations and ordered to be printed:

To the Congress of the United States:

I hereby report to the Congress on developments concerning the national emergency with respect to Iran that was declared in Executive Order 12957 of March 15, 1995, and matters relating to the measures in that order and in Executive Order 12959 of May 6, 1995. This report is submitted pursuant to section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c) (IEEPA), section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 505(c) of the International Security and Development Cooperation Act of 1985, 22 U.S.C. 2349aa-9(c). This report discusses only matters concerning the national emergency with respect to Iran that was declared in Executive Order 12957 and does not deal with those relating to the emergency declared on November 14, 1979, in connection with the hostage crisis.

1. On March 15, 1995, I issued Executive Order 12957 (60 Fed. Reg. 14615, March 17, 1995) to declare a national emergency with respect to Iran pursuant to IEEPA, and to prohibit the financing, management, or supervision by United States persons of the development of Iranian petroleum resources.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.



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This action was in response to actions and policies of the Government of Iran, including support for international terrorism, efforts to undermine the Middle East peace process, and the acquisition of weapons of mass destruction and the means to deliver them. A copy of the order was provided to the Speaker of the House and the President of the Senate by letter dated March 15, 1995.

Following the imposition of these restrictions with regard to the development of Iranian petroleum resources, Iran continued to engage in activities that represent a threat to the peace and security of all nations, including Iran's continuing support for international terrorism, its support for acts that undermine the Middle East peace process, and its intensified efforts to acquire weapons of mass destruction. On May 6, 1995, I issued Executive Order 12959 to further respond to the Iranian threat to the national security, foreign policy, and economy of the United States.

Executive Order 12959 (60 Fed. Reg. 24757, May 9, 1995) (1) prohibits exportation from the United States to Iran or to the Government of Iran of goods, technology, or services; (2) prohibits the reexportation of certain U.S. goods and technology to Iran from third countries; (3) prohibits dealings by United States persons in goods and services of Iranian origin or owned or controlled by the Government of Iran; (4) prohibits new investments by United States persons in Iran or in property owned or controlled by the Government of Iran; (5) prohibits U.S. companies and other United States persons from approving, facilitating, or financing performance by a foreign subsidiary or other entity owned or controlled by a United States person of certain reexport, investment, and trade transactions that a United States person is prohibited from performing; (6) continues the 1987 prohibition on the importation into the United States of goods and services of Iranian origin; (7) prohibits any transaction by a United States person or within the United States that evades or avoids or attempts to violate any prohibition of the order; and (8) allowed U.S. companies a 30-day period in which to perform trade transactions pursuant to contracts predating the Executive order.

At the time of signing Executive Order 12959, I directed the Secretary of the Treasury to authorize through specific licensing certain transactions, including transactions by United States persons related to the Iran-United States Claims Tribunal in The Hague, established pursuant to the Algiers Accords, and related to other international obligations and United States Government functions, and transactions related to the export of agricultural commodities pursuant to pre-existing contracts consistent with section 5712(c) of title 7, United States Code. I also directed the Secretary of

the Treasury, in consultation with the Secretary of State, to consider authorizing United States persons through specific licensing to participate in market-based swaps of crude oil from the Caspian Sea area for Iranian crude oil in support of energy projects in Azerbaijan, Kazakstan, and Turkmenistan.

Executive Order 12959 revoked sections 1 and 2 of Executive Order 12613 of October 29, 1987, and sections 1 and 2 of Executive Order 12957 of March 15, 1995, to the extent they are inconsistent with it. A copy of Executive Order 12959 was transmitted to the Speaker of the House of Representatives and the President of the Senate by letter dated May 6, 1995.

2. On March 5, 1997, I renewed for another year the national emergency with respect to Iran pursuant to IEEPA. This renewal extended the authority for the current comprehensive trade embargo against Iran in effect since May 1995. Under these sanctions, virtually all trade with Iran is prohibited except for information and informational materials and certain other limited exceptions.

3. The Iranian Transactions Regulations (the "Regulations" or ITR), 31 CFR Part 560, were amended on October 21, 1996 (61 Fed. Reg. 54936, October 23, 1996), to implement section 4 of the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Debt Collection Improvement Act of 1996, by adjusting for inflation the amount of the civil monetary penalties that may be assessed under the Regulations. The amendment increases the maximum civil monetary penalty provided in the Regulations from \$10,000 to \$11,000 per violation.

The amended Regulations also reflect an amendment to 18 U.S.C. 1001 contained in section 330016(1)(L) of Public Law 103-322, September 13, 1994; 108 Stat. 2147. The amendment notes the availability of higher criminal fines pursuant to the formulas set forth in 18 U.S.C. 3571. A copy of the amendment is attached.

Section 560.603 of the ITR was amended on November 15, 1996 (61 Fed. Reg. 58480), to clarify rules relating to reporting requirements imposed on United States persons with foreign affiliations. Initial reporting under the amended Regulation has been deferred until May 30, 1997, by a January 14, 1997 *Federal Register* notice (62 *Fed. Reg.* 1832). Copies of the amendment and the notice are attached.

4. During the current 6-month period, the Department of the Treasury's Office of Foreign Assets Control (OFAC) made numerous decisions with respect to applications for licenses to engage in transactions under the ITR, and issued 13 licenses. The majority of denials were in response to requests to authorize commercial exports to Iran—particularly of machinery and equipment for the petroleum and manufacturing industries—and the importation of Iranian-origin goods. The licenses issued authorized the export and reex-

port of goods, services, and technology essential to ensure the safety of civil aviation and safe operation of certain commercial passenger aircraft in Iran; certain financial and legal transactions; the importation of Iranian-origin artwork for public exhibition; and certain diplomatic transactions. Pursuant to sections 3 and 4 of Executive Order 12959 and in order to comply with the Iran-Iraq Arms Non-Proliferation Act of 1992 and other statutory restrictions applicable to certain goods and technology, including those involved in the air-safety cases, the Department of the Treasury continues to consult with the Departments of State and Commerce on these matters.

The U.S. financial community continues to interdict transactions associated with Iran and to consult with OFAC about their appropriate handling. Many of these inquiries have resulted in investigations into the activities of U.S. parties and, where appropriate, the initiation of enforcement action.

5. The U.S. Customs Service has continued to effect numerous seizures of Iranian-origin merchandise, primarily carpets, for violation of the import prohibitions of the ITR. Various enforcement actions carried over from previous reporting periods are continuing, and new reports of violations are being aggressively pursued. Since my last report, OFAC has collected a civil monetary penalty in the amount of \$5,000. The violation underlying this collection involves the unlicensed import of Iranian-origin goods for transshipment to a third country aboard a U.S.-flag vessel. Civil penalty action or review is pending against 21 companies, financial institutions, and individuals for possible violations of the Regulations.

6. The expenses incurred by the Federal Government in the 6-month period from September 15, 1996, through March 14, 1997, that are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to Iran are approximately \$800,000, most of which represent 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 Intelligence and Research, and the Office of the Legal Adviser), and the Department of Commerce (the Bureau of Export Administration and the General Counsel's Office).

7. The situation reviewed above continues to involve important diplomatic, financial, and legal interests of the United States and its nationals and presents an extraordinary and unusual threat to the national security, foreign policy, and economy of the United

States. The declaration of the national emergency with respect to Iran contained in Executive Order 12957 and the comprehensive economic sanctions imposed by Executive Order 12959 underscore the United States Government opposition to the actions and policies of the Government of Iran, particularly its support of international terrorism and its efforts to acquire weapons of mass destruction and the means to deliver them. The Iranian Transactions Regulations issued pursuant to Executive Orders 12957 and 12959 continue to advance important objectives in promoting the nonproliferation and antiterrorism policies of the United States. I shall exercise the powers at my disposal to deal with these problems and will report periodically to the Congress on significant developments.

WILLIAM J. CLINTON.

THE WHITE HOUSE, March 14, 1997.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. ROGAN). Under the Speaker's announced policy of January 7, 1997, 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 Pennsylvania [Mr. GEKAS] is recognized for 5 minutes.

[Mr. GEKAS addressed the House. His remarks will appear hereafter in the Extension of Remarks.]

AGENDA OF THE 105TH CONGRESS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Georgia [Mr. GINGRICH] is recognized for 60 minutes as the designee of the majority leader.

Mr. GINGRICH. Mr. Speaker, I rise to describe what the Congress has been doing and what I believe it will be doing in the near future, because as we enter the Easter recess at the end of this week, Members will be going home, and I think it is fair for our constituents to ask us where are we going, what is this Congress going to be like, and what have we achieved on behalf of the American people.

There are five basic messages that I think House Republicans in particular can take home, but a number of Democrats can agree with these messages. I think in a broad way, this is a principled bipartisanship that outlines a direction that most Americans will want to go in.

First, we have developed and unveiled a 2-year agenda, creating a better America for ourselves and our children, and I will talk about that agenda in just a moment.

Second, we are focusing on keeping our children and communities safe by winning the war on drugs as a top priority for this country.

Third, we are committed to lowering interest rates and creating better jobs by producing a balanced budget this year.

Fourth, we have as an objective ending the Internal Revenue Service as we know it. We want to help the taxpayers save time and money by providing real tax relief, simplifying our needlessly complex Tax Code, and reforming the Internal Revenue Service.

And fifth, as proof that what we are working on can be achieved, welfare reform is a success story. The 104th Congress, by passing dramatic, bold welfare reform, has made a difference and the facts prove it. That gives us reason to hope that we are going to be able to work in 1997 and 1998 on other reforms that will be of similar importance. There, I might mention education as an example of an area that we truly want to work on.

Let me start by describing the agenda that will create a better America for ourselves and our children. The House Republican majority, led by the majority leader, the gentleman from Texas, DICK ARMEY, and by the policy chairman, the gentleman from California CHRIS COX, developed a number of items which we believe will outline for the country 13 major areas of improvement. I would like to outline the steps we are taking, because I think they illustrate a firm, balanced agenda for developing a better future.

The first area is balancing the budget. We believe it is vital to pass a balanced budget amendment. We were saddened to see the other body fail by one vote, but we believe at an appropriate time this House should bring up the balanced budget amendment again, and I think if it passes in this House, as it probably will, when we send it to the other body maybe we will be developing the momentum and popular support to then get that one final vote that is missing to send it on to the States.

But a balanced budget is vital, first, because it is morally wrong for us in peacetime to spend our children's and grandchildren's money. It is just plain not right. We have the same obligation to set priorities, to set limits, to have discipline in our Federal budget that every family and every business has in their own budgets.

In addition, passing a balanced budget will lower interest rates that will improve the economy, increase the number of jobs, improve take-home pay. Think about a college student who graduates with a balanced budget. They will save over \$2,100 in repaying an \$11,000 loan over 10 years. That is over \$2,100 that that college graduate can save because interest rates will be higher lower.

Or imagine a couple buying a new house. They could save up to \$37,000 on a 30-year mortgage for an average-priced house. That is, literally they could pay for one child's college education just with the savings from a lower interest rate from a balanced budget.

Or imagine a family buying an average-priced new car. They could save \$975 over 4 years in lower interest payments on the average new-priced car.

Our point is that there is a moral case, there is a practical case, there is a self-interest case for balancing the budget. In addition, when you have deficits and you borrow more money, interest payments go up. The interest payments, when John F. Kennedy was President in the early 1960's, were about \$6 billion a year. This year the interest payment will be \$245 billion. That is, the average American will pay more in taxes to pay interest on the debt than they will pay for the Army, the Navy, the Air Force, and the Marine Corps combined.

So balancing the budget ultimately leads to lower taxes through lower interest rates and less payment on the debt, and our hope would be eventually through a balanced budget to actually begin to pay down the national debt.

But this is not just a constitutional amendment. We are committed to bringing spending in line with our commitment to balance the budget by the year 2002 without raising taxes. In fact, we want to be able to focus on saving money in Government so we can lower taxes so the American people have more take-home pay and a greater ability to create new jobs and new opportunities.

We have asked the President to submit a balanced budget. The first budget that was sent up was apparently a mistake. It is about \$62 billion in deficit in the year 2002, which is our target year for balancing the budget. So we have asked the President, since he came right to this room and promised 12 times in the State of the Union, on 12 occasions he said he was for a balanced budget, he had a balanced budget plan, so we have asked him to submit a balanced budget that would allow us to begin the process of passing a balanced budget.

In addition, we believe we need to overhaul the budget process. It frankly does not work very well. We think there are steps that can be taken that allow us to control Government spending and to reduce taxes better with more cooperation between the executive branch and the Congress, and we believe that requires reforming the budget process.

Finally, we think that when the President asks for additional spending for emergencies or for overseas activities by our military, that that should be paid for at the same time we are passing it. We think that the age of credit card financing, where we just charge more and charge more and charge more, is over. If we are going to spend more money in one area, we should have the discipline to set priorities and spend less money in another area, so we are going to insist that supplemental spending bills be paid for on a pay-as-you-go basis.

Our second goal after balancing the budget is to improve learning for all