

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

Since my last report, three civil monetary penalties totaling \$102,250 have been collected from one financial institution and two individuals for violation of the prohibitions against transactions with Iraq. Additional administrative procedures have been initiated and others await commencement.

4. Pursuant to Executive Order 12817 implementing UNSCR 778, on October 26, 1992, OFAC 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 December 13, 1996, OFAC directed the Federal Reserve Bank of New York to transfer the interest accrued on the blocked account to the U.N. escrow account established pursuant to UNSCR 778, to match contributions in excess of \$30 million by other countries.

5. The Office of Foreign Assets Control has issued a total of 653 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, and 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, 23 specific licenses have been issued.

6. The expenses incurred by the Federal Government in the 6-month period from August 2, 1996, through February 1, 1997, 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 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 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 civilian population, and the facilitation of access of international relief organizations to all those in need in all parts of Iraq. Six 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 refusal of unimpeded access; 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 UNSCR 688. 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.

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 must 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 10, 1997.

THE ECONOMIC REPORT OF THE PRESIDENT—MESSAGE FROM THE PRESIDENT—PM 12

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 Joint Economic Committee.

To the Congress of the United States:

Four years ago, we began a journey to change the course of the American economy. We wanted this country to go into the 21st century as a Nation in which every American who was willing to work for it could have a chance—not a guarantee, but a real chance—at the American dream. We have worked hard to achieve that goal, and today our economy is stronger than it has been in decades.

THE ECONOMIC RECORD

The challenge we faced in January 1993 was to put the economy on a new course of fiscal responsibility while continuing to invest in our future. In the last 4 years, the unemployment rate has come down by nearly a third: from 7.5 percent to 5.4 percent. The economy has created 11.2 million new jobs, and over two-thirds of recent employment growth has been in industry/occupation groups paying above-median wages. Over the past 4 years inflation has averaged 2.8 percent, lower than in any Administration since John F. Kennedy was President. The combination of unemployment and inflation is the lowest it has been in three decades. And business investment has grown more than 11 percent per year—its fastest pace since the early 1960s.

As the economy has grown, the fruits of that growth are being shared more equitably among all Americans. Between 1993 and 1995 the poverty rate fell from 15.1 percent to 13.8 percent—the largest 2-year drop in over 20 years. Poverty rates among the elderly and among African-Americans are at the lowest level since these data were first collected in 1959. And real median family income has risen by \$1,600—the largest growth rate since the Administration of President Johnson.

THE ECONOMIC AGENDA

Our comprehensive economic agenda has helped put America's economy back on the right track. This agenda includes:

Historic Deficit Reduction. Since the 1992 fiscal year, the Federal budget deficit has been cut by 63 percent—from \$290 billion to \$107 billion in fiscal 1996. As a percentage of the Nation's gross domestic product, the deficit has fallen over the same period from 4.7 percent to 1.4 percent, and it is now the lowest it has been in more than 20 years. In 1992 the budget deficit for all levels of government was larger in relation to our economy than those of Japan and Germany were to theirs. Now the deficit is smaller by that same measure than in any other major industrialized economy. And this Administration has

proposed a plan that balances the budget by 2002, while protecting critical investments in America's future.

Investments in Education and Technology. Deficit reduction remains a priority, but it is not an end in itself. Balancing the budget by cutting investments in education, or by failing to give adequate support to science and technology, could actually slow economic growth. To succeed in the new global economy, our children must receive a world-class education. Every child in America should be able to read by the age of 8, log onto the Internet by the age of 12, and receive at least 14 years of quality education: 2 years of college should become as universal as high school is today. And we must make sure that every child who wants to go to college has the resources to do so.

Expanding Markets. We have aggressively sought to expand exports and open markets abroad. In the past 4 years we have achieved two major trade agreements: the North American Free Trade Agreement and the Uruguay Round accord of the General Agreement on Tariffs and Trade, which established the World Trade Organization. Members of the Asia-Pacific Economic Cooperation forum and the proposed Free Trade Area of the Americas have committed to establishing free trade among themselves by 2020 and 2005, respectively. And we have opened new markets abroad by signing more than 200 other important trade agreements. As a result, U.S. exports have bombed, which means higher wages for American workers in export industries—often 13 to 16 percent higher than the rest of the workforce.

Reforming Government. The strength of the American economy lies in the energy, creativity, and determination of our citizens. Over the past 4 years we have worked hard to create an environment in which business can flourish. And as the private sector has expanded, the Federal Government has improved its efficiency and cost-effectiveness. We have energetically reformed regulations in key sectors of the economy, including telecommunications, electricity, and banking, as well as environmental regulation. And we have reduced the size of the Federal Government as a percentage of the workforce to the smallest it has been since the 1930s.

CONTINUING TO CREATE AN ECONOMY FOR THE
21ST CENTURY

America's workers are back at work and our factories are humming. Once again, America leads the world in automobile manufacturing. Our high-technology industries are the most competitive in the world. Poverty is down and real wages are at last beginning to rise. And we have laid the foundations for future long-term economic growth by reducing the deficit and investing in education.

During the past 4 years, we have worked to prepare all Americans for the challenges and opportunities of the

new global economy of the 21st century. We have worked to restore fiscal discipline in our government, to expand opportunities for education and training for our children and workers, to reform welfare and encourage work, and to expand the frontiers of free trade. But there is more work to be done. We must continue to provide our citizens with the tools to make the most of their own lives so that the American dream is within the reach of every American.

WILLIAM J. CLINTON.
THE WHITE HOUSE, February 10, 1997.

MEASURE PLACED ON THE CALENDAR

The following measure was placed on the calendar:

S.J. Res. 14. Joint resolution affirming certain findings of the President of the United States with regard to programs concerning international family planning.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1021. A communication from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, a rule entitled "Change in Disease Status of Great Britain Because of Exotic Newcastle Disease" received on February 4, 1997; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1022. A communication from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, a rule entitled "Importation of Fresh Hass Avocado Fruit Grown in Michoacan, Mexico" received on February 6, 1997; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1023. A communication from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, a rule entitled "Ports Designated for the Exportation of Animals" received on February 10, 1997; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1024. A communication from the Administrator, Farm Service Agency, Department of Agriculture, transmitting, pursuant to law, a rule entitled "Tobacco-Tobacco Loan Program, Importer Assessments" (RIN0560-AD93) received on February 5, 1997; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1025. A communication from the Secretary of Defense, transmitting, a report of retirements; to the Committee on Armed Services.

EC-1026. A communication from the President and Chairman of the Export-Import Bank, transmitting, pursuant to law, a statement regarding transactions involving exports to Algeria; to the Committee on Banking, Housing, and Urban Affairs.

EC-1027. A communication from the President and Chairman of the Export-Import Bank, transmitting, pursuant to law, a statement regarding transactions involving exports to Egypt; to the Committee on Banking, Housing, and Urban Affairs.

EC-1028. A communication from the Assistant to the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, a rule with respect to Regulation H received on February 7, 1997; to the Committee on Banking, Housing, and Urban Affairs.

EC-1029. A communication from the Director of the Office of Regulations Management, Department of Veterans Affairs, transmitting, pursuant to law, a rule entitled "Loan Guaranty: Flood Insurance Requirements" (RIN2900-AH63) received on February 4, 1997; to the Committee on Banking, Housing, and Urban Affairs.

EC-1030. A communication from the Chairman of the Board of the National Credit Union Administration, transmitting, pursuant to law, the report on establishing and adjusting schedules of compensation; to the Committee on Banking, Housing, and Urban Affairs.

EC-1031. A communication from the Secretary of the Treasury, transmitting, pursuant to law, the annual report of the Community Development Financial Institutions Fund for fiscal year 1996; to the Committee on Banking, Housing, and Urban Affairs.

EC-1032. A communication from the Assistant Secretary for Export Administration, Department of Commerce, transmitting, pursuant to law, a rule entitled "Revisions to the Export Administration Regulations" (RIN 0694-AB52) received on February 7, 1997; to the Committee on Banking, Housing, and Urban Affairs.

EC-1033. A communication from the Acting General Counsel of the Department of Housing and Urban Development, transmitting, pursuant to law, two rules including a rule entitled "Public Housing Management Assessment" (FR 3447, 4162) received on January 31, 1997; to the Committee on Banking, Housing, and Urban Affairs.

EC-1034. A communication from the Acting General Counsel of the Department of Housing and Urban Development, transmitting, pursuant to law, a rule entitled "Sale of HUD-Held Single Family Mortgages" (FR 33814) received on February 7, 1997; to the Committee on Banking, Housing, and Urban Affairs.

EC-1035. A communication from the Assistant Secretary of Commerce for Export Administration, transmitting, pursuant to law, a rule relative to the Commerce Control List (RIN 0694-AB24), received on February 7, 1997; to the Committee on Banking, Housing, and Urban Affairs.

EC-1036. A communication from the General Counsel, Department of Transportation, transmitting, pursuant to law, the report of a rule relative to pilotage rate increase (RIN 2135-AA08), received on February 6, 1997; to the Committee on Commerce, Science, and Transportation.

EC-1037. A communication from the General Counsel, Department of Transportation, transmitting, pursuant to law, the report of nine rules including one rule relative to Class E airspace (RIN 2120-AA64, AA66), received on February 6, 1997; to the Committee on Commerce, Science, and Transportation.

EC-1038. A communication from the Managing Director of the Federal Communications Commission, transmitting, pursuant to law, the report of a rule relative to NII Devices, received on February 3, 1997; to the Committee on Commerce, Science, and Transportation.

EC-1039. A communication from the Managing Director of the Federal Communications Commission, transmitting, pursuant to law, the report of a rule relative to microwave antennas, received on February 4, 1997; to the Committee on Commerce, Science, and Transportation.

EC-1040. A communication from the Managing Director of the Federal Communications Commission, transmitting, pursuant to