

the Government of Sudan; and (6) transactions relating to the transportation of cargo. The Order also provided a 30-day delayed effective date for the completion of certain trade transactions.

2. Executive Order 13067 became effective at 12:01 a.m., eastern standard time on November 4, 1997. On December 2, 1997, the Department of the Treasury's Office of Foreign Assets Control (OFAC) issued General Notice No. 1, interpreting the delayed effective date for pre-November 4, 1997, trade contracts involving Sudan if the preexisting trade contract was for (a) the exportation of goods, services, or technology from the United States or a third country that was authorized under applicable Federal regulations in force immediately prior to November 4, 1997, or (b) the reexportation of goods or technology that was authorized under applicable Federal regulations in force immediately prior to November 4, 1997. Such exports or reexports were authorized until 12:01 a.m. eastern standard time, December 4, 1997, and nonfinancing activity by United States persons incidental to the performance of the preexisting trade contract (such as the provision of transportation or insurance) was authorized through 12:01 a.m. eastern standard time, February 2, 1998. If the preexisting trade contract was for the importation of goods or services of Sudanese origin or other trade transactions relating to goods or services of Sudanese origin or owned or controlled by the Government of Sudan, importations under the preexisting trade contract were authorized until 12:01 a.m. eastern standard time, December 4, 1997.

3. Since the issuance of Executive Order 13067, OFAC has made numerous decisions with respect to applications for authorizations to engage in transactions under the Sudanese sanctions. As of March 12, 1998, OFAC has issued 55 authorizations to nongovernmental organizations engaged in the delivery of humanitarian aid and 77 licenses to others. OFAC has denied many requests for licenses. The majority of denials were in response to requests to authorize commercial exports to Sudan—particularly of machinery and equipment for various industries—and the importation of Sudanese—origin goods. The majority of licenses issued permitted the unblocking of financial transactions for individual remitters who routed their funds through blocked Sudanese banks. Other licenses authorized the completion of diplomatic transfers, preeffective date trade transactions, and the performance of certain legal services.

4. At the time of signing Executive Order 13067, I directed the Secretary of the Treasury to block all property and interests in property of persons determined, in consultation with the Secretary of State, to be owned or controlled by, or to act for or on behalf of, the Government of Sudan. On November 5, 1997, OFAC disseminated details

of this program to the financial, securities, and international trade communities by both electronic and conventional media. This information included the names of 62 entities owned or controlled by the Government of Sudan. The list includes 12 financial institutions and 50 other enterprises.

5. OFAC, in cooperation with the U.S. Customs Service, is closely monitoring potential violations of the import prohibitions of the Order by businesses and individuals. Various reports of violations are being aggressively pursued.

6. The expenses incurred by the Federal Government in the 6-month period from November 3, 1997, through May 2, 1998, that are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to Sudan are reported to be approximately \$425,000, 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, African Affairs, Near Eastern Affairs, Consular Affairs, 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 in Sudan continues to present an extraordinary and unusual threat to the national security and foreign policy of the United States. The declaration of the national emergency with respect to Sudan contained in Executive Order 13067 underscores the United States Government opposition to the actions and policies of the Government of Sudan, particularly its support of international terrorism and its failure to respect basic human rights, including freedom of religion. The prohibitions contained in Executive Order 13067 advance important objectives in promoting the antiterrorism and human rights policies of the United States. I shall 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, May 5, 1998.

REPORT ENTITLED "THE STATE ON SMALL BUSINESS"—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 Small Business.

To the Congress of the United States:

I am pleased to present my fourth annual report on the state of small busi-

ness. In short, the small business community continues to perform exceptionally well. For the fourth year in a row, new business formation reached a record high: 842,357 new firms were formed in 1996.

The entrepreneurial spirit continues to burn brightly as the creativity and sheer productivity of America's small businesses make our Nation's business community the envy of the world. My Administration has worked hard to keep that spirit strong by implementing policies and programs designed to help small businesses develop and expand. We have focused our economic strategy on three pillars: reducing the deficit, opening up markets overseas, and investing in our people through education and technology. Our efforts with respect to small business have been concentrated in a number of specific areas, including directing tax relief to more small businesses, expanding access to capital, supporting innovation, providing regulatory relief, opening overseas markets to entrepreneurs, and strengthening America's work force.

A BALANCED BUDGET AND TAXPAYER RELIEF

When I took office, the Federal budget deficit was a record \$290 billion. I determined that one of the best things we could do for the American people, including small business, would be to balance the budget. Because of our hard choices, the deficit has been reduced for 5 years in a row. By October 1997, the deficit had fallen to just \$22.6 billion—a reduction of \$267 billion or 90 percent. These lower deficits have helped to reduce interest rates, an important matter for all small businesses.

Small business owners have long recognized the importance of this issue. At each of the White House Conferences on Small Business—in 1980, 1986, and 1995—small businesses included on their agenda a recommendation to balance the Federal budget. With passage of the Balanced Budget Act of 1997, I signed into law the first balanced budget in a generation. The new budget will spur growth and spread opportunity by providing the biggest investment in higher education since the GI bill more than 50 years ago. Even after we pay for tax cuts, line by line and dime by dime, there will still be \$900 billion in savings over the next 10 years.

And at the same time we are easing the tax burden on small firms. My Administration and the Congress took the White House Conference tax recommendations seriously during deliberations that led to the Taxpayer Relief Act of 1997. The new law will direct billions of dollars in tax relief to small firms over the next 10 years. Small businesses will see a decrease in the estate tax, an increase to 100 percent over the next 10 years in the percentage of health insurance payments a self-employed person can deduct, an updated definition of "home office" for tax purposes, and a reduction in paperwork associated with the alternative minimum tax.

Significant new capital gains provisions in the law should provide new infusions of capital to new small businesses. By reducing the capital gains tax rate and giving small business investors new options, the law encourages economic growth through investment in small businesses.

ACCESS TO CAPITAL

For so many small business owners, gaining access to capital continues to be a very difficult challenge. The U.S. Small Business Administration (SBA) plays a key role as a catalyst in our efforts to expand this access. The SBA made or guaranteed more than \$13 billion in loans in 1997. Since the end of fiscal year 1992, the SBA has backed more than \$48 billion in loans to small businesses, more than in the previous 12 years combined. In 1997, the SBA approved 45,288 loan guarantees amounting to \$9.46 billion in the 7(a) guaranty program, a 23 percent increase from 1996, and 4,131 loans worth \$1.44 billion under the Certified Development Company (CDC) loan program.

Included in the 1997 loan totals were a record \$2.6 billion in 7(a) and CDC loans to more than 10,600 minority-owned businesses and another record \$1.7 billion in roughly 10,800 loans to women-owned businesses. Over the last 4 years, the number of SBA loans to women small business owners have more than tripled, and loans to minority borrowers have also nearly tripled.

The Small Business Investment Company (SBIC) program, the SBA's premier vehicle for providing venture capital to small, growing companies, produced a record amount of equity and debt capital investments during the year. The program's licensed SBICs made 2,731 investments worth \$2.37 billion. In 1997, 33 new SBICs with combined private capital of \$471 million were licensed. Since 1994, when the program was revamped, 111 new SBICs with \$1.57 billion in private capital have entered the program.

And in the past year, the SBA's Office of Advocacy developed a promising new tool to direct capital to dynamic, growing small businesses—the Angel Capital Electronic Network, or ACE-Net. This effort has involved refining Federal and State small business securities requirements and using state-of-the-art Internet technology to develop a brand new nationwide market for small business equity.

GOVERNMENT SUPPORT FOR SMALL BUSINESS INNOVATION

As this report documents, small firms play an important role in developing innovative products and processes and bringing them to the marketplace. Federal research and development that strengthens the national defense, promotes health and safety, and improves the Nation's transportation systems is vital to our long-term interests. Our Government has instituted active policies to ensure that small businesses have opportunities to bring their innovative ideas to these efforts.

The Small Business Innovation Research (SBIR) and Small Business

Technology Transfer (STTR) programs help ensure that Federal research and development funding is directed to small businesses. In fiscal year 1996, more than 325 Phase I and Phase II STTR awards totaling \$38 million went to 249 small businesses. Also in 1996, the SBIR program invested almost \$1 billion in small high technology firms. The program has touched and inspired individuals like Bill McCann, a blind—and once frustrated—trumpet player who used SBIR funding to help start a company that designs software to automatically translate sheet music into braille. Today, Dancing Dots Braille Music Technology is rapidly expanding the library of sheet music available to blind musicians.

Other initiatives include the National Institute of Standards and Technology's (NIST) Advanced Technology Program, enabling small high technology firms to develop pathbreaking technologies, and NIST's Manufacturing Extension Partnership, which helps small manufacturers apply performance-improving technologies needed to meet global competition. Two of the SBA's loan programs—the 7(a) and 504 loan programs—currently assist 2,000 high technology companies. And the SBA's ACE-Net initiative is especially designed to meet the needs of these dynamic high technology firms.

Because they give small firms a footing on which to build new ideas and innovative products, these efforts benefit not only the small firms themselves, but the entire American economy.

REGULATORY RELIEF

A pressing concern often identified by small businesses is unfairly burdensome regulation. My Administration is committed to reforming the system of Government regulations to make it more equitable for small companies. In 1996, I signed into law the Small Business Regulatory Enforcement Fairness Act, which strengthens requirements that Federal agencies consider and mitigate unfairly burdensome effects of their rules on small businesses and other small organizations. A small business ombudsman and a new system of regulatory fairness boards, appointed in September 1996, give small firms new opportunities to participate in agency enforcement actions and policies. Because agencies can be challenged in court, they have gone to extra lengths to ensure that small business input is an integral part of their rulemaking processes.

Many agencies are conducting their own initiatives to reduce the regulatory burden. The SBA, for example, cut its regulations in half and rewrote the remaining requirements in plain English. All of these reforms help ensure that the Government maintains health, safety and other necessary standards without driving promising small companies out of business.

OPENING OVERSEAS MARKETS

Key in my Administration's strategy for economic growth are efforts to expand business access to new and grow-

ing markets abroad. I want to open trade in areas where American firms are leading—computer software, medical equipment, environmental technology. The information technology agreement we reached with 37 other nations in 1996 will eliminate tariffs and unshackle trade in computers, semiconductors, and telecommunications. This cut in tariffs on American products could lead to hundreds of thousands of jobs for our people.

Measures aimed at helping small firms expand into the global market have included an overhaul of the Government's export controls and reinvention of export assistance. These changes help ensure that our own Government is no longer the hurdle to small businesses entering the international economy.

A 21ST CENTURY WORK FORCE

American business' most important resource is, of course, people. I am proud of my Administration's efforts to improve the lives and productivity of the American work force. We know that in this Information Age, we need a new social compact—a new understanding of the responsibilities of government, business, and every one of us to each other.

Education is certainly the most important investment we can make in people. We must invest in the skills of people if we are to have the best educated work force in the world in the 21st century. We're moving forward to connect every classroom to the Internet by the year 2000, and to raise standards so that every child can master the basics.

We're also training America's future entrepreneurs. The SBA, for example, has improved access to education and counseling by funding 19 new women's business centers and 15 U.S. export assistance centers nationwide. And we are encouraging businesses to continue their important contributions to job training. The Balanced Budget Act of 1997 encourages employers to provide training by excluding income spent on education for employees from taxation.

We are taking steps to improve small business workers' access to employee benefits. Last year, I signed into law the Small Business Job Protection Act, which, among other things, makes it easier for small businesses to offer pension plans by creating a new small business 401(k) plan. We make it possible for more Americans to keep their pensions when they change jobs without having to wait before they can start saving at their new jobs. As many as 10 million Americans without pensions when the law was signed can now earn them because this law exists.

Given that small businesses have created more than 10 million new jobs in the last four years, they will be critical in the implementation of the welfare to work initiative. That means the SBA microloan and One-Stop Capital

Shop programs will be uniquely positioned to take on the "work" component of this initiative. The work opportunity tax credit in the Balanced Budget Act is also designed as an incentive to encourage small firms, among others, to help move people from welfare to work.

A small business starts with one person's dream. Through devotion and hard work, dreams become reality. Our efforts for the small business community ensure that these modern American Dreams still have a chance to grow and flourish.

I want my Administration to be on the leading edge in working as a partner with the small business community. That is why an essential component of our job is to listen, to find out what works, and to go the extra mile for America's entrepreneurial small business owners.

WILLIAM J. CLINTON.

THE WHITE HOUSE, May 5, 1998.

REPORT CONCERNING THE
PREMIGEWASSET RIVER IN NEW
HAMPSHIRE—MESSAGE FROM
THE PRESIDENT—PM 121

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 Energy and Natural Resources.

To the Congress of the United States:

I take pleasure in transmitting the enclosed report for the Pemigewasset River in New Hampshire. The report and my recommendations are in response to the provisions of the Wild and Scenic Rivers Act, Public Law 90-542, as amended. The Pemigewasset River study was authorized by Public Law 101-357.

The study was conducted by the National Park Service with assistance from a local study committee. The National Park Service determined that the 32.5-mile study segment is eligible for designation based upon its free-flowing character and outstanding scenic, recreational, geologic, fishery, and botanic values. However, in deference to the wishes of local adjoining communities, six of seven of whom voted against designation, and the State of New Hampshire, I am recommending that the Congress not consider designation at this time. If the local communities and/or the State should change their position in the future, the question of designation could be reevaluated.

WILLIAM J. CLINTON.

THE WHITE HOUSE, May 5, 1998.

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-4719. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report relative to the Alyeska Ballast Water Treatment Facility (Alaska); to the Committee on Commerce, Science, and Transportation.

EC-4720. A communication from the Secretary of Transportation, transmitting, drafts of proposed legislation including one entitled "The Federal Aviation Authorization Act of 1998"; to the Committee on Commerce, Science, and Transportation.

EC-4721. A communication from the Assistant Administrator for Fisheries, National Marine Fisheries Service, transmitting, pursuant to law, the report of a rule entitled "Fisheries of the Caribbean, Gulf of Mexico, and South Atlantic; Reef Fish Fishery of the Gulf of Mexico; Red Snapper Management Measures" (RIN0648-AK98) received on April 20, 1998; to the Committee on Commerce, Science, and Transportation.

EC-4722. A communication from the Assistant Administrator for Fisheries, National Marine Fisheries Service, transmitting, pursuant to law, a report regarding highly migratory species; to the Committee on Commerce, Science, and Transportation.

EC-4723. A communication from the Assistant Administrator for Fisheries, National Marine Fisheries Service, transmitting, pursuant to law, the report of a rule entitled "Financial Assistance for Research and Development Projects in the Northeastern Coastal States; Marine Fisheries Initiative" (RIN0648-ZA36) received on April 27, 1998; to the Committee on Commerce, Science, and Transportation.

EC-4724. A communication from the Assistant Administrator for Fisheries, National Marine Fisheries Service, transmitting, pursuant to law, the report of a rule entitled "Fisheries Off West Coast States and in the Western Pacific; Western Pacific Crustacean Fisheries; Vessel Monitoring System; Harvest Guideline; Closed Season" (RIN0648-AK22) received on May 1, 1998; to the Committee on Commerce, Science, and Transportation.

EC-4725. A communication from the Assistant Administrator for Fisheries, National Marine Fisheries Service, transmitting, pursuant to law, the report of a rule entitled "Fisheries of the Caribbean, Gulf of Mexico, and South Atlantic; Shrimp Fishery of the Gulf of Mexico; Amendment 9" (RIN0648-AH52) received on May 1, 1998; to the Committee on Commerce, Science, and Transportation.

EC-4726. A communication from the AMD-Performance Evaluation and Records Management, Federal Communications Commission, transmitting, pursuant to law, the report of a rule regarding FM station allotments in Walhalla, Michigan [MM Docket 97-118] received on April 22, 1998; to the Committee on Commerce, Science, and Transportation.

EC-4727. A communication from the AMD-Performance Evaluation and Records Management, Federal Communications Commission, transmitting, pursuant to law, the report of two rules regarding FM Broadcast Stations (Banks, Corvallis, Redmond, Sunriver, Oregon; Corvallis, The Dalles, Oregon) [MM Dockets 96-7, 96-12] received on April 22, 1998; to the Committee on Commerce, Science, and Transportation.

EC-4728. A communication from the AMD-Performance Evaluation and Records Management, Federal Communications Commission, transmitting, pursuant to law, the report of a rule regarding FM Broadcast Stations (Ironton and Malden, Missouri) [MM Docket 97-136] received on April 22, 1998; to the Committee on Commerce, Science, and Transportation.

EC-4729. A communication from the Secretary of the Federal Trade Commission,

transmitting, pursuant to law, the report of a rule entitled "Guides For the Use of Environmental Marketing Claims" received on April 21, 1998; to the Committee on Commerce, Science, and Transportation.

EC-4730. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of seven rules regarding airworthiness directives, including a rule entitled "Airworthiness Directives; Twin Commander Aircraft Corporation 500, 600, and 700 Series Airplanes" (RIN2120-AA64; Docket 95-CE-92-AD, 98-NM-79-AD, 97-CE-130-AD, 97-NM-40-AD, 97-CE-74-AD, 95-CE-71-AD, 98-SW-09-AD) received on April 20, 1998; to the Committee on Commerce, Science, and Transportation.

EC-4731. A communication from the Chairman of the Surface Transportation Board, transmitting, pursuant to law, the report of a rule entitled "Rail General Exemption Authority—Nonferrous Recyclables" received on April 27, 1998; to the Committee on Commerce, Science, and Transportation.

EC-4732. A communication from the Associate Deputy Administrator for Government Contracting and Minority Enterprise Development, transmitting, pursuant to law, a report entitled "Minority Small Business and Capital Ownership Development" for fiscal year 1997; to the Committee on Small Business.

EC-4733. A communication from the Director of the Office of Regulations Management, Department of Veterans' Affairs, transmitting, pursuant to law, the report of a rule entitled "Reporting Health Care Professionals to State Licensing Boards" (RIN2900-AI78) received on April 28, 1998; to the Committee on Veterans' Affairs.

EC-4734. A communication from the Secretary of the Interior, transmitting, a draft of proposed legislation entitled "The Tribal Trust Fund Settlement Act of 1998"; to the Committee on Indian Affairs.

EC-4735. A communication from the Assistant Secretary of the Interior for Indian Affairs, transmitting, pursuant to law, a report relative to the Red Lake Band of Chippewa Indians judgment funds; to the Committee on Indian Affairs.

EC-4736. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, a report under the Chemical and Biological Weapons Control and Warfare Elimination Act for the period February 1, 1997 through January 31, 1998; to the Committee on Foreign Relations.

EC-4737. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, a report relative to danger pay; to the Committee on Foreign Relations.

EC-4738. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the report of a rule entitled "Documentation of Nonimmigrants Under the Immigration and Nationality Act, as amended—Fees For Application and Issuance of Nonimmigrants Visas" received on April 27, 1998; to the Committee on Foreign Relations.

EC-4739. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the reports of eight notices of proposed issuances of export licenses; to the Committee on Foreign Relations.

EC-4740. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Scope of Medicare Benefits and Application of the Outpatient Mental Health Treatment Limitation to Clinical Psychologist and Clinical Social Worker Services" (RIN 0938-AE99) received on April 27, 1998; to the Committee on Finance.