

funds transfers in violation of the prohibitions against transactions involving Iraq.

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, Iraq-oil sales proceeds, and to hold, invest, and transfer these funds as required by the Order. On March 21, 1995, following payments by the Governments of Canada (\$1,780,749.14), the European Community (\$399,695.21), Kuwait (\$2,500,000.00), Norway (\$261,758.10), and Switzerland (\$40,000.00), 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 \$4,982,202.45 from the blocked account it holds to the United Nations-controlled account. Similarly, on April 5, 1995, following the payment of \$5,846,238.99 by the European Community, the Federal Reserve Bank of New York was directed to transfer a corresponding amount of \$5,846,238.99 to the United Nations-controlled account. Again, on May 23, 1995, following the payment of \$3,337,941.75 by the European Community, \$571,428.00 by the Government of the Netherlands and \$1,200,519.05 by the Government of the United Kingdom, the Federal Reserve Bank of New York was directed to transfer a corresponding amount of \$5,109,888.80 to the United Nations-controlled account. Finally, on June 19, 1995, following the payment of \$915,584.96 by the European Community and \$736,923.12 by the Government of the United Kingdom, the Federal Reserve Bank of New York was directed to transfer a corresponding amount of \$1,652,508.08 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 have amounted to \$175,133,026.20 of the up to \$200 million that the United States is obligated to match from blocked Iraqi oil payments, pursuant to United Nations Security Council Resolution 778.

5. The Office of Foreign Assets Control has issued a total of 590 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, the protection of preexistent intellectual property rights in Iraq and travel to Iraq for the purposes of visiting Americans detained there. Since my last report, 57 specific licenses have been issued.

6. The expenses incurred by the Federal Government in the 6 month period from February 2, 1995, through August 1, 1995, which 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 \$4.9 million, most of which represents wage and salary costs for Federal personnel. 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 Iraqi'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. 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.

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 reportedly 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 both the north and has attempted to "Arabize" the Kurdish, Turcomen, and Assyrian areas of 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 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 require 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, August 1, 1995.

#### MESSAGES FROM THE HOUSE

At 12:04 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 701. An act to authorize the Secretary of Agriculture to convey lands to the City of Rolla, Missouri.

H.R. 714. An act to establish the Midewin National Tallgrass Prairie in the State of Illinois, and for other purposes.

H.R. 1874. An act to modify the boundaries of the Talladega National Forest, Alabama.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 89. Concurrent resolution waiving provisions of the Legislative Reorganization Act of 1970 requiring adjournment of Congress by July 31.

ENROLLED BILL SIGNED

At 3:11 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 2017. An act to authorize an increased Federal share of the costs of the certain transportation projects in the District of Columbia for fiscal years 1995 and 1996, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore (Mr. THURMOND).

At 7:28 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 2099. An act making appropriations for the Department of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for fiscal year ending September 30, 1996, and for other purposes.

The message also announced that the House has passed the following bill, without amendment:

S. 21. An act to terminate the United States arms embargo applicable to the Government of Bosnia and Herzegovina.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent and referred as indicated:

H.R. 701. An act to authorize the Secretary of Agriculture to convey lands to the City of Rolla, Missouri; to the Committee on Agriculture, Nutrition, and Forestry.

H.R. 1874. An act to modify the boundaries of the Talladega National Forest, Alabama; to the Committee on Agriculture, Nutrition, and Forestry.

H.R. 2099. An act making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for fiscal year ending September 30, 1996, and for other purposes; to the Committee on Appropriations.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. GORTON:

S. 1099. A bill to provide for a change in the exemption from the child labor provisions of the Fair Labor Standards Act of 1938 for minors between 16 and 18 years of age who engage in the operation of automobiles and

trucks, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. MOYNIHAN (for himself, Mr. HATCH, Mr. BAUCUS, Mr. BINGAMAN, Mrs. BOXER, Mr. BREAUX, Mr. COCHRAN, Mr. D'AMATO, Mr. DODD, Mr. GRASSLEY, Mr. KYL, Ms. MOSELEY-BRAUN, Mr. PRYOR, and Mr. SIMPSON):

S. 1100. A bill to amend the Internal Revenue Code of 1986 to provide for the deduction of partnership investment expenses under the minimum tax; to the Committee on Finance.

By Mr. HATCH (for himself and Mr. HEFLIN) (by request):

S. 1101. A bill to make improvements in the operation and administration of the Federal courts, and for other purposes; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GORTON:

S. 1099. A bill to provide for a change in the exemption from the child labor provisions of the Fair Labor Standards Act of 1938 for minors between 16 and 18 years of age who engage in the operation of automobiles and trucks, and for other purposes; to the Committee on Labor and Human Resources

CHILD LABOR LEGISLATION

Mr. GORTON. Mr. President, few experiences are more valuable to young people than part-time and summer jobs. Jobs provide teenagers with both an income and an important lesson on what it's like to be in the work force. It is unfortunate, then, that the Federal Government—ever eager to encroach upon the lives of Americans—is denying young people the opportunity to work in at least one sector of our economy, car dealership.

Let me explain. Last year, the U.S. Department of Labor started cracking down on dealerships that allowed their 16- and 17-year-old employees to drive cars for short distances, say, from one lot to another across the street, or to a nearby gas station. Why? Because of a provision in the Fair Labor Standards Act that allows for only incidental and occasional driving by teenage employees under 18. As interpreted by the Department of Labor, this provision effectively wipes out any teenage driving whatsoever.

This provision in the Fair Labor Standards Act was intended to prevent employers from over-working young people and using them to drive heavy vehicles. But what we are talking about today, Mr. President, is not exploitation, but perfectly reasonable actions.

The Department of Labor, for reasons which I cannot fathom, has imposed almost \$200,000 worth of fines on dealerships throughout Washington State, even though the dealerships did not require their 16- and 17-year-old employees to drive often, or for a long time, but only in very limited circumstances. The result of these fines? Most car dealerships no longer hire people under 18 years of age, and hundreds of teenagers are prevented from getting good jobs.

Mr. President, I cannot help but point out the irony of the Labor Department acting as a job-destroying entity. Matthew Bergman, a then-17-year-old part-time dealership worker, said last year in the *Seattle Times*,

I can have a legal state license that represents me in any state in the country, but I can't drive three blocks in a company car. It's a real bummer.

A bummer indeed, Mr. President. But it doesn't have to be that way. I believe we can reasonably modify the Fair Labor Standards Act so that teenagers can drive cars as long as it is not a primary part of their jobs. The bill I introduce today will do just that. It will be better for car dealerships, and better for kids who want to work. I urge my colleagues to support this important legislation.

Mr. President, I ask unanimous consent that the complete text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1099

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. AUTHORITY FOR MINORS TO OPERATE MOTOR VEHICLES.**

In the administration of the child labor provisions of the Fair Labor Standards Act of 1938, the Secretary of Labor shall issue a final rule not later than 1 year from date of enactment of this Act to amend the exemption from the child labor restrictions of such Act under section 570.52(b)(1) of title 29, Code of Federal Regulation, for minors between 16 and 28 years of age who operate automobiles or trucks not exceeding 6,000 pounds gross vehicle weight to eliminate the requirement that such operation be only occasional and incidental to the employment of a minor and to add the requirement that such operation not be the primary duty of the employment of a minor.

By Mr. MOYNIHAN (for himself, Mr. HATCH, Mr. BAUCUS, Mr. BINGAMAN, Mrs. BOXER, Mr. BREAUX, Mr. COCHRAN, Mr. D'AMATO, Mr. DODD, Mr. GRASSLEY, Mr. KYL, Ms. MOSELEY-BRAUN, Mr. PRYOR, and Mr. SIMPSON):

S. 1100. A bill to amend the Internal Revenue Code of 1986 to provide for the deduction of partnership investment expenses under the minimum tax; to the Committee on Finance.

TAX LEGISLATION

Mr. MOYNIHAN. Mr. President, I am introducing a bill today to eliminate a serious tax impediment to venture capital investments. It would treat the investment expenses of individuals investing in partnerships the same for alternative minimum tax [AMT] purposes as they are currently treated for regular tax purposes. No longer would individuals who are subject to the AMT and invest in venture capital funds set up as partnerships face taxation on their gross earnings, rather than their net income after deduction of expenses. This provision was included in the Tax Fairness and Economic Growth Act of 1992, H.R. 11, legislation that was passed by Congress but vetoed for reasons unrelated to this issue.