

with Medicare reimbursement and plan to have a proposal ready in the near future.

Letter to Congressional Leaders on Organizations Which Threaten the Middle East Peace Process

August 8, 1996

Dear Mr. Speaker: (Dear Mr. President:)

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 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 (OFAC) 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 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 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). The OFAC, 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. On February 2, 1996, OFAC issued the Terrorism Sanctions Regulations (the "TSRs") (61 *Fed. Reg.* 3805-13, February 2, 1996). The TSRs implement the President's declaration of a national emergency and imposition of sanctions against certain persons whose acts of violence have the purpose or effect of disrupting the Middle East peace process.

4. During the reporting period, OFAC issued two licenses pursuant to the TSRs. One license authorized the disbursement of funds from a blocked account for the legal defense of an identified terrorist. The second authorized the release of certain funds from the blocked account of the same SDT for maintenance in the United States of his dependents.

5. The expenses incurred by the Federal Government in the 6-month period from January 23 through July 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 \$1 million.

6. Executive Order 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, comprehensive counterterrorism legislation was enacted on April 24, 1996, 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 12947 and the Antiterrorism and Effective Death Penalty Act of 1996; Public Law 104-132, demonstrate the United States 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).

Sincerely,

William J. Clinton

NOTE: Identical letters were sent to Newt Gingrich, Speaker of the House of Representatives, and Albert Gore, Jr., President of the Senate.

Remarks to the Community in the Port of Long Beach, California

August 8, 1996

The President. Thank you, thank you. Thank you so much. Thank you, Kevin. Boy, he did a good job, didn't he? Just like he's been doing it all his life. If he could get a leave, I'd just take him with me. We'd make an act of it. We'd go on the road. [*Laughter*] Thank you for your work and for your example.

Thank you, mayor. It's great to be here with you again. It's great to be back in Long Beach. Thank you, Leland Wong, for what you said and for your work. Thank you, Lt. Gov. Gray Davis. Thank you, Kathleen Connell, our State comptroller. Thank you, Long Beach Harbor Commission President George Murchison. And I'm glad to be here with Rick Zbur, who wants to go to Congress. Thank you very much. We're glad to see you, sir.

I'd like to thank the members of the Long Beach Harbor Commission and the Long Beach council and the Los Angeles council who are here. I've been given some names, I'm going to say them. If I miss somebody it's all my fault. [*Laughter*] But I think Nate Holden and Richard Alarcon are here from Los Angeles. And Carmen Perez who is on the Long Beach Harbor Commission; Long Beach Councilman Del Roosevelt, and Long Beach council member Jennie Orapreza are