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THE WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

ID# 169823

00072

INCOMING

DATE RECEIVED: AUGUST 28, 1990

NAME OF CORRESPONDENT: THE HONORABLE DAVID L. BOREN

SUBJECT: EXPRESSES CONCERN REGARDING THE IRAQI DEBT
AND THE POSSIBLE EFFECT ON OUR AGRICULTURAL
SECTOR

		ACTION	DISPOSITION			
ROUTE TO: OFFICE/AGENCY	(STAFF NAME)	ACT CODE	DATE YY/MM/DD	TYPE RESP	C D	COMPLETED YY/MM/DD
FREDERICK MCCLURE		ORG	90/08/28	FM A9008/28		TC
9905DA	REFERRAL NOTE:	A	900906	TC	A	90/10/31 LJ
990MB	REFERRAL NOTE:	I	900906		C	/ / TC
NSC	REFERRAL NOTE:	I	900906		C	/ / TC
99Trea	REFERRAL NOTE:	I	900906		C	/ / TC
99DOS	REFERRAL NOTE:	I	900906		C	/ / TC
COMMENTS: Lamccl - FYI - USDA		A	90/11/06		C	90/11/06 LJ

ADDITIONAL CORRESPONDENTS: MEDIA:L INDIVIDUAL CODES: 1210
MAIL USER CODES: (A) (B) (C)

*ACTION CODES: *DISPOSITION *OUTGOING *
* * *CORRESPONDENCE: *
*A-APPROPRIATE ACTION *A-ANSWERED *TYPE RESP=INITIALS *
*C-COMMENT/RECOM *B-NON-SPEC-REFERRAL * OF SIGNER *
*D-DRAFT RESPONSE *C-COMPLETED * CODE = A *
*F-FURNISH FACT SHEET *S-SUSPENDED *COMPLETED = DATE OF *
I-INFO COPY/NO ACT NEC * OUTGOING *
*R-DIRECT REPLY W/COPY * * *
*S-FOR-SIGNATURE * * *
*X-INTERIM REPLY * * *

REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE
(ROOM 75, OEOB) EXT-2590
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING
LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS
MANAGEMENT.



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20250

October 31 1990

The Honorable David L. Boren
United States Senate
Washington, D.C. 20510-6175

Dear Dave:

Thank you for the copy of your recent letter to the President urging that he use available statutory powers concerning blocked Iraqi assets to permit U.S. creditors, including the Federal Government, to recover losses stemming from Iraq's defaults in connection with credit extended under the Commodity Credit Corporation's (CCC) Export Credit Guarantee Programs.

I assure you that we will take all possible steps to protect CCC assets and to recover any payments due from Iraq under our Export Credit Guarantee Programs.

The International Emergency Economic Powers Act (IEEPA) does not currently authorize the taking of the action you urge. Although IEEPA does confer upon the President certain authorities in declaring a national emergency and blocking Iraqi assets, the IEEPA does not provide the authority to vest in the U.S. title to Iraqi assets. The Trading with the Enemy Act contains such authority, which could be used in the event of the existence of a state of war between the United States and Iraq. This would be handled by the Office of Foreign Assets Control of the Department of the Treasury.

Thank you for your continuing interest in the GSM Export Credit Guarantee Program.

Sincerely,

Signed

Clayton Yeutter
Secretary

CC: Sally Kelley
The White House

August 29, 1990

Dear Dave:

Thank you very much for your recent letter to the President concerning Iraqi debt held by banks participating in the Agriculture Department's GSM credit guarantee programs.

We appreciate being apprised of your concerns regarding the potential cost to the Commodity Credit Corporation if banks for Iraqi purchasers of U.S. agricultural products begin to default and the eventual impact this could have on the agricultural sector. Please know that I have taken the liberty of sharing your comments with the President's agricultural and budget policy advisors so that they, too, are aware of views regarding this situation.

Thank you again for your interest in writing.

With best regards,

Sincerely,

Frederick D. McClure
Assistant to the President
for Legislative Affairs

The Honorable David L. Boren
United States Senate
Washington, D.C. 20510

FDM:SLM:

bcc: w/ copy of inc to Dept. of Agriculture - for appropriate
action

bcc: w/ copy of inc to OMB - FYI

bcc: w/ copy of inc to NSC - FYI

bcc: w/ copy of inc to Dept. of the Treasury - FYI

bcc: w/ copy of inc to Dept. of State - FYI

L OREN
Jesse L. BULLING
WASHINGTON, DC 20510
621 NORTH ROBINSON
OKLAHOMA CITY, OK 73102
440 SOUTH HOUSTON
TULSA, OK 74127
211 EAST OAK
SEMINOLE, OK 74868

United States Senate

WASHINGTON, DC 20510

August 24, 1990

CONTROL

AGENCY

SEC. RCDS.

forgrtrade

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A10: 02

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CHAIRMAN,
SELECT COMMITTEE ON INTELLIGENCE
MEMBER, COMMITTEE ON FINANCE
CHAIRMAN, SUBCOMMITTEE ON
ENERGY AND AGRICULTURAL TAXATION
MEMBER, COMMITTEE ON AGRICULTURE,
NUTRITION, AND FORESTRY
CHAIRMAN, SUBCOMMITTEE ON
DOMESTIC AND FOREIGN MARKETING
MEMBER, COMMITTEE ON SMALL BUSINESS

F. McNamee
The Honorable George Bush
President of the United States
The White House
Washington, D.C. 20500

Dear Mr. President:

As you continue to lead us through the current Middle East crisis, I wish to bring to your attention a particular problem resulting from the Iraqi situation that could have very direct and harmful effects on our agricultural sector.

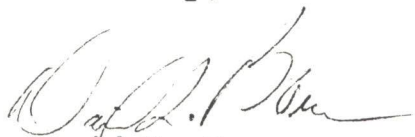
The United States and its citizens currently hold an estimated \$2.6 billion in Iraqi debt. Of this amount, approximately 1.9 billion is held by banks participating in the Agriculture Department's GSM credit guarantee programs. Soon, when banks for Iraqi purchasers of U.S. agricultural products begin to default, the banks for U.S. exporters will turn to the Commodity Credit Corporation (CCC) and call the guarantees.

The impact on the CCC budget could be tremendous. The Department of Agriculture has estimated that paying the guarantees could cost up to \$900 million in fiscal 1991.

I applaud your action freezing all Iraqi government assets held in the U.S. I now urge you to use all authority available to you under the International Emergency Economic Powers Act and any other applicable statute to transfer title of these assets, place liens against them, or otherwise attach them so U.S. creditors, including the Federal government, can recover some of their losses.

Thank you for your consideration of this request. I wish you well as you lead us in the Middle East effort.

Sincerely,


David L. Boren
United States Senate

cc: The Honorable Nicholas Brady
The Honorable Clayton Yeutter

1 JREN

OKLAHOMA

RUSSELL BUILDING
WASHINGTON, DC 20510

621 NORTH ROBINSON
OKLAHOMA CITY, OK 73102

440 SOUTH HOUSTON
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211 EAST OAK
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United States Senate

WASHINGTON, DC 20510

August 24, 1990

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SELECT COMMITTEE ON INTELLIGENCE

MEMBER, COMMITTEE ON FINANCE
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The Honorable George Bush
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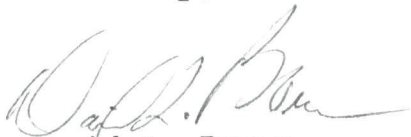
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