

CS

ID # 216770 CU

CO 072

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

O - OUTGOING

H - INTERNAL

I - INCOMING

Date Correspondence Received (YY/MM/DD) 1

Name of Correspondent: Anna Fotias

MI Mail Report

User Codes: (A) _____ (B) _____ (C) _____

Subject: Revised Treasury Dept. Report on P.L. 101-519

ROUTE TO:		ACTION	DISPOSITION		
Office/Agency	(Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response Code	Completion Date YY/MM/DD
<u>CNOFC</u>		ORIGINATOR	<u>9/103/01</u>		<u>C 9/103/01</u>
		Referral Note:	<u>cont. corresp.</u>		<u>CS</u>
<u>CUAT/4</u>		<u>A</u>	<u>9/103/01</u>	_____	<u>C 9/103/01</u>
		Referral Note:	<u>Mar 19 SGR memo to Anna Fotias</u>		
			<u>1 1</u>		<u>1 1</u>
		Referral Note:			
			<u>1 1</u>		<u>1 1</u>
		Referral Note:			
			<u>1 1</u>		<u>1 1</u>
		Referral Note:			

ACTION CODES:

- A - Appropriate Action
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- F - Furnish Fact Sheet to be used as Enclosure

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FOR OUTGOING CORRESPONDENCE:

- Type of Response = Initials of Signer
- Code = "A"
- Completion Date = Date of Outgoing

Comments: _____

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 Always return completed correspondence record to Central Files.
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RECORDS MANAGEMENT ONLY

CLASSIFICATION SECTION

No. of Additional Correspondents: _____ Media: _____ Individual Codes: _____

Prime Subject Code: _____ Secondary Subject Codes: _____

PRESIDENTIAL REPLY

Code	Date	Comment	Form
C	_____	_____	P.
DSP	_____	_____	Media: _____

SIGNATURE CODES:

- Cpn - Presidential Correspondence
- n - 0 - Unknown
- n - 1 - George Herbert Walker Bush
- n - 2 - George Bush
- n - 3 - George
- CLn - First Lady's Correspondence
- n - 1 - Barbara Bush
- n - 2 - Barbara
- n - 3 - Bar
- n - 4 - Mrs. Barbara Bush
- Cbn - Presidential & First Lady's Correspondence
- n - 1 - Barbara & George Bush
- n - 2 - Barbara & George

MEDIA CODES:

- B - Box/package
- C - Copy
- D - Official document
- G - Message
- H - Handcarried
- L - Letter
- M - Mailgram
- O - Memo
- P - Photo
- R - Report
- S - Sealed
- T - Telegram
- V - Telephone
- X - Miscellaneous
- Y - Study

THE WHITE HOUSE

WASHINGTON

March 1, 1991

MEMORANDUM FOR ANNA FOTIAS

FROM:

STEPHEN G. RADEMAKER *SR*
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT:

Revised Treasury Department Report on P.L. 101-519

Pursuant to your request, Counsel's Office has reviewed the above-referenced matter and has no objection to the revised Treasury report on P.L. 101-519.

Thank you for bringing this matter to our attention.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET

ROUTE SLIP

Box
395-7350

2 pgs
attached

TO Steve Rademaker
45026

- Take necessary action
- Approval or signature
- Comment
- Prepare reply
- Discuss with me
- For your information
- See remarks below

FROM Anna Fotias

DATE 3-1-91

REMARKS

attached REVISED Treasury
rept. on P.L. 101-519.

Do you "sign-off" on it?

Also, attached is your comment on original
rept.

Please let me know your
reaction Today.

~~525-2210~~



GENERAL COUNSEL

DEPARTMENT OF THE TREASURY
WASHINGTON

The Honorable Jim Sasser
Chairman
Subcommittee on Military Construction
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

This letter requests the repeal of section 131 of Public Law 101-519, "Making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1991, and for other purposes." Section 131 authorizes the President to vest and liquidate Iraqi assets to meet repayment obligations of Iraq to the Commodity Credit Corporation and, if further Iraqi assets remain, to other U.S. nationals. The Department of the Treasury requests repeal of this section for the following reasons.

First, this provision was never passed by the Congress, but was enacted into law due to an enrolling error. Second, section 131 would unreasonably tie the hands of the President in settling claims, should vesting Iraqi assets ever be considered. Third, section 131 discriminates against all private and most public sector U.S. claimants in requiring that proceeds of vested Iraqi assets be applied first to repayments to the Commodity Credit Corporation.

For these reasons, the Department of the Treasury strongly urges that the Congress repeal section 131. The Office of Management and Budget has advised that elimination of section 131 would be consistent with the program of the President.

Sincerely,

Jeanne S. Archibald

THE WHITE HOUSE
WASHINGTON

February 27, 1991

MEMORANDUM FOR JAMES J. JUKES

FROM: STEPHEN G. RADEMAKER *SR*
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Treasury Proposed Report on Repeal of Section 131
of P.L. 101-519, Regarding Iraqi Assets

Pursuant to your request, Counsel's Office has reviewed the above-referenced matter. We are unpersuaded of the necessity of the proposed report for two reasons. First, the section which Treasury proposes to repeal contains merely an authorization for action by the President, not a requirement that he act. Second, the authority provided by the section appears to overlap authority that has been vested in the President since 1917 by the Trading With the Enemy Act, 50 U.S.C. app. sec. 1 et seq. It is unclear why Treasury would propose repeal of this section on policy grounds while not also proposing repeal of the Trading With the Enemy Act. For these reasons, Counsel's Office does not concur in the proposed report.

Thank you for bringing this matter to our attention.

**WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET**

- O - OUTGOING
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Date Correspondence Received (YY/MM/DD) 1/1

Name of Correspondent: James J. Jones

MI Mail Report User Codes: (A) _____ (B) _____ (C) _____

Subject: Treasury Proposed Report on Repeal of Section 131 of P.L. 101-519, Re: Iraqi assets

ROUTE TO:		ACTION	DISPOSITION		
Office/Agency	(Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response Code	Completion Date YY/MM/DD
<u>CUofc</u>		ORIGINATOR	<u>91.02.26</u>		<u>C91.02.27</u>
<u>CUAT 14</u>		Referral Note: <u>A</u>	<u>91.02.26</u>	<u>SGR</u>	<u>C91.02.27</u>
		Referral Note: <u>Memo for Jones</u>	<u>1/1</u>		<u>1/1</u>
		Referral Note:	<u>1/1</u>		<u>1/1</u>
		Referral Note:	<u>1/1</u>		<u>1/1</u>
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- Y - Study

THE WHITE HOUSE

WASHINGTON

February 27, 1991

MEMORANDUM FOR JAMES J. JUKES

FROM: STEPHEN G. RADEMAKER 
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Treasury Proposed Report on Repeal of Section 131
of P.L. 101-519, Regarding Iraqi Assets

Pursuant to your request, Counsel's Office has reviewed the above-referenced matter. We are unpersuaded of the necessity of the proposed report for two reasons. First, the section which Treasury proposes to repeal contains merely an authorization for action by the President, not a requirement that he act. Second, the authority provided by the section appears to overlap authority that has been vested in the President since 1917 by the Trading With the Enemy Act, 50 U.S.C. app. sec. 1 et seq. It is unclear why Treasury would propose repeal of this section on policy grounds while not also proposing repeal of the Trading With the Enemy Act. For these reasons, Counsel's Office does not concur in the proposed report.

Thank you for bringing this matter to our attention.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
Washington, D.C. 20503

FEB 26 1991

LEGISLATIVE REFERRAL MEMORANDUM

LRM #M-71

TO: Legislative Liaison Officer:

JUSTICE - Grace Mastalli - 514-4606 - 217
STATE - Will Davis - 647-4463 - 225
AGRICULTURE - Marvin Shapiro - 382-1272 - 312
DEFENSE - Samuel T. Brick, Jr. - 697-1305 - 325
CEA - Francine Obermiller - 395-5036 - 242
NSC - William Sittmann - 456-6534 - 249

2 pages
total
rec'd 5:05pm!!

SUBJECT: TREASURY Proposed Report on Repeal of section
131 of Public Law 101-519, relating to
certain Iraqi assets.

DEADLINE: COB FEB 27 1991

The Office of Management and Budget requests the views of your agency on the above subject before advising on its relationship to the program of the President, in accordance with OMB Circular A-19.

Questions should be referred to Anna FOTIAS (395-3454), the legislative analyst for this item.

James J. Jukes
JAMES J. JUKES (for)
Assistant Director for
Legislative Reference

CC:
Boyden Gray
Bob Damus
Rodney Bent
Dick Emery
Don Gessaman

02/26/91 17:56 0633 7670

TRSY ASSOC GC --- OMB LRD

002/002



GENERAL COUNSEL

DEPARTMENT OF THE TREASURY
WASHINGTON

The Honorable Jim Sasser
Chairman
Subcommittee on Military Construction
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

This letter requests the repeal of section 131 of Public Law 101-519, "Making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1991, and for other purposes." This provision was enacted into law due to an enrolling error, notwithstanding its failure to obtain Congressional approval.

Section 131 authorizes the President to vest and liquidate Iraqi assets to meet repayment obligations of Iraq to the Commodity Credit Corporation and, if further Iraqi assets remain, to other U.S. nationals. The Department of the Treasury is generally opposed to the vesting of foreign-owned assets in the United States. Such vesting has negative implications for the foreign investment climate in the United States, raises questions of liability under international law, and may interfere with diplomatic efforts to resolve the crisis in the Persian Gulf after the present military action.

The Department of the Treasury strongly urges that the Congress repeal section 131, which was enacted into law due to an administrative error. The Office of Management and Budget has advised that elimination of section 131 would be consistent with the program of the President.

Sincerely,

Jeanne S. Archibald