WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

☐ O · OUTGOING
☐ H · INTERNAL
☐ I · INCOMING

Date Correspondence Received (YY/MM/DD)

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:

Office/Agency (Staff Name)

ACTION

Action
Code

Tracking
Date
YY/MM/DD

DISPOSITION

Type of
Response Code

Completion
Date YY/MM/DD

ORIGINATOR

Referral Note: cont. corresp.

Referral Note: Memo to Anna Fotias

Referral Note:

Referral Note:

Referral Note:

Referral Note:

ACTION CODES:
A - Appropriate Action
C - Comment/Recommendation
D - Draft Response
F - Furnish Fact Sheet
to be used as Enclosure
I - Info Copy Only/No Action Necessary
R - Direct Reply w/Copy
S - For Signature
X - Interim Reply

DISPOSITION CODES:
A - Answered
B - Non-Special Referral
C - Completed
S - Suspended

FOR OUTGOING CORRESPONDENCE:
Type of Response = Initials of Signer
Completion Date = Date of Outgoing

Comments:

Keep this worksheet attached to the original incoming letter.
Send all routing updates to Central Reference (Room 75, OEOB).
Always return completed correspondence record to Central Files.
Refer questions about the correspondence tracking system to Central Reference, ext. 2590.
MEMORANDUM FOR ANNA FOTIAS

FROM: STEPHEN G. RADEMAKER
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

TO
Steve Rademaker
X50 26

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

FROM
Anna Fother

DATE
3-1-91

REMARKS

Attached REVISED Treasury reg. on P.L. 101-519.

Do you "sign-off" on it?

Also attached is your comment on original reg.

Please let me know your reaction today.
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
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.
**WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET**

- **O - OUTGOING**
- **H - INTERNAL**
- **I - INCOMING**

**Name of Correspondent:** James J. Juket

**Date Correspondence Received (YY/MM/DD):**

**Subject:** Treasury Proposed Report on Repeal of Section 131 by P.L. 101-589, re: Iraqi assets

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**ROUTE TO:**

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**Referral Note:**

**Comments:** ____________________________________________

Keep this worksheet attached to the original incoming letter.
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**CLASSIFICATION SECTION**

No. of Additional Correspondents: ____

Media: ____

Individual Codes: __ __ __ __ __ __ __ __ __ __ __ __

Prime Subject Code: __ __ __ __ __ __ __ __

Secondary Subject Codes: __ __ __ __ __ __ __ __

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**PRESIDENTIAL REPLY**

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**SIGNATURE CODES:**

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**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       |
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.
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


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 (for)
Assistant Director for Legislative Reference

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