

has also freed enforcement vessels escorting the diverted vessels to return to patrol operations.

We continue to achieve a significant foreign policy objective in ensuring multinational participation in the MIF. Ships from Belgium, New Zealand, Italy, Canada, and the United Kingdom have served with the MIF since September, effectively refuting Iraqi assertions that the MIF is a "U.S.-only operation."

Other countries have made different but important contributions toward enforcing the U.N. sanctions against Iraq. Since MIF operations began, Panama and St. Vincent and the Grenadines have deflagged four vessels, and Honduras has enacted stricter sanctions enforcement measures and has continued to pursue deflagging proceedings against several vessels involved in sanctions violations.

The United Arab Emirates, Kuwait, and Saudi Arabia have assumed responsibility for disposition of the approximately 30,000 metric tons of Iraqi gas and oil cargo seized by the MIF and valued at about \$6 million. The United Arab Emirates and Kuwait have sold a portion of this cargo and are expected to turn over the proceeds to the United Nations. Saudi Arabia is preparing to sell a portion of the seized oil as well. The Iraqi dates seized by the MIF are subject to disposal in order to deny any benefit to Iraq.

Security Council Resolution 687 affirmed that Iraq is liable under international law for compensating the victims of its unlawful invasion and occupation of Kuwait. Although the U.N. Compensation Commission (UNCC) has approved some 790,000 individual awards against

Iraq, worth about \$3.0 billion, it has been able to authorize the payment of only the fixed awards for serious personal injury or death (aggregating approximately \$13.5 million). The remainder of the awards cannot be paid because the U.N. Compensation Fund lacks sufficient funding. The awards are supposed to be financed by a deduction from the proceeds of future Iraqi oil sales, once such sales are permitted to resume. However, Iraq's refusal to meet the Security Council's terms for a resumption of oil sales has left the UNCC without adequate financial resources to pay the awards. Iraq's intransigence means that the victims of its aggression remain uncompensated for their losses over 4 years after the end of the Gulf War.

To conclude, Iraq remains a serious threat to regional peace and stability. I remain determined that Iraq comply fully with all its obligations under the U.N. Security Council Resolutions. My Administration will continue to oppose any relaxation of sanctions until Iraq demonstrates peaceful intentions through its overall compliance with the relevant resolutions.

I appreciate the support of the Congress for our efforts and shall continue to keep the Congress informed about this important issue.

Sincerely,

WILLIAM J. CLINTON

NOTE: Identical letters were sent to Newt Gingrich, Speaker of the House of Representatives, and Strom Thurmond, President pro tempore of the Senate.

## Letter to Congressional Leaders Transmitting a Report on Cyprus January 4, 1996

*Dear Mr. Speaker: (Dear Mr. Chairman:)*

In accordance with Public Law 95-384 (22 U.S.C. 2373(c)), I submit to you this report on progress toward a negotiated settlement of the Cyprus question. The previous submission covered progress through September 30, 1995. The current submission covers the period October 1, 1995, through November 30, 1995.

The focus of my Administration's activity during this reporting period was preparations for

the December trip to Cyprus of my Special Emisary, Richard Beattie. Mr. Beattie's travel reflects my interest in intensifying United States Government efforts to achieve progress towards an intercommunal settlement. His ongoing work supports the U.N.-led effort to attain lasting peace on the island. Consultations with the parties confirmed that security has not diminished as a key concern for both sides.