

Strike levels, with land and carrier based aircraft, surface warships, a Marine amphibious task force, a Patriot missile battalion, and a mechanized battalion task force deployed in support of USCINCCENT operations. As an additional deterrent against Iraqi aggression, F-117 aircraft remain deployed to Kuwait. Since submission of my last report, USCINCCENT has completed the initial phases of Operation Desert Focus, with the relocation and consolidation of all combatant forces in Saudi Arabia into more secure facilities throughout Saudi Arabia. To enhance force protection throughout the region, additional military security personnel have been deployed for continuous rotation. USCINCCENT continues to closely monitor the security situation in the region to ensure adequate force protection is provided for all deployed forces.

United Nations Security Council Resolution (UNSCR) 949, adopted in October 1994, demands that Iraq not threaten its neighbors or U.N. operations in Iraq and that it not redeploy or enhance its military capacity in southern Iraq. In view of Saddam's reinforced record of unreliability, it is prudent to retain a significant U.S. force presence in the region in order to maintain the capability to respond rapidly to possible Iraqi aggression or threats against its neighbors.

In northern Iraq, we have made some limited progress in strengthening the October 23 cease-fire and encouraging political reconciliation between the two main Iraqi Kurd groups, the Kurdistan Democratic Party (KDP) and the Patriotic Union of Kurdistan (PUK). Assistant Secretary of State for Near Eastern Affairs Robert Pelletreau co-chaired talks between the KDP and the PUK in Turkey on October 30 and November 15, alongside representatives of the Turkish and British governments. During these talks, we obtained agreement from the two parties that the neutral, indigenous Peace Monitoring Force (PMF) would demarcate and observe the cease-fire line. To support the PMF, I have directed, under the authorities of sections 552(c) and 614 of the Foreign Assistance Act of 1961, as amended, the drawdown of up to \$4 million in Department of Defense commodities and services, and the Secretary of State has made a determination under which we will provide up to \$3 million for uniforms, tents, generators and other non-lethal supplies. Issues related to PMF operations are discussed regularly by a

Supervisory Peace Monitoring Group that meets in Ankara and is composed of U.S., U.K. and Turkish representatives, as well as members of the indigenous relevant parties. In these and other high level meetings, this Administration has consistently warned all concerned that internecine warfare in the north can only work to the advantage of Saddam Hussein and Iran, which we believe has no role to play in the area. In this connection, we remain concerned about the KDP's links to Baghdad and the PUK's ties to Iran.

Despite the cease-fire and other efforts, many residents of northern Iraq continued to face threats from Baghdad due to their association with U.S.-affiliated nongovernmental organizations, who had undertaken relief work in northern Iraq over the past few years. In response, this Administration, with the assistance of Turkey, conducted a third humanitarian evacuations operation of approximately 3,780 residents of northern Iraq whose lives were directly threatened by the Iraqi regime. All of the evacuees are being processed on Guam under the U.S. refugee resettlement program, while most of the 2,700 evacuated under two previous operations are now resettled in the United States.

The United States, working through the United Nations and humanitarian relief organizations, continues to provide humanitarian assistance to the people of northern Iraq. We have contributed more than \$15 million this fiscal year to programs in the north administered by the U.N. International Children's Emergency Fund (UNICEF) and the World Food Program (WFP). Security conditions in northern Iraq remain tenuous at best, with Iranian and PKK (Kurdistan Workers Party) activity adding to the ever-present threat from Baghdad.

On December 9, the U.N. Secretary General submitted his formal report to the UNSC stating that all necessary conditions for implementation of UNSCR 986 had been met. Following this action, the resolution went into effect 12:01 a.m. on December 10. UNSCR 986 authorizes Iraq to sell up to \$2 billion of oil during an initial 180-day period, with the possibility of UNSC renewal of subsequent 180-day periods. Resolution 986 provides that the proceeds of this limited oil sale, all of which must be deposited in a U.N. escrow account, will be used to purchase food, medicine, and other materials and supplies for essential civilian needs for all Iraqi