

Ronald Reagan Presidential Library  
Digital Library Collections

---

This is a PDF of a folder from our textual collections.

---

**WHORM Subject File Code:** CO071  
(Countries: Iran)  
**Case File Number(s):** 040000-044999  
**Box Number:** 89

---

To see more digitized collections visit:

<https://www.reaganlibrary.gov/archives/digitized-textual-material>

To see all Ronald Reagan Presidential Library inventories visit:

<https://www.reaganlibrary.gov/archives/white-house-inventories>

Contact a reference archivist at: **reagan.library@nara.gov**

Citation Guidelines: <https://reaganlibrary.gov/archives/research-support/citation-guide>

National Archives Catalogue: <https://catalog.archives.gov/>

*Last Updated: 11/07/2023*

ID # 041721

00071

# WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

- O - OUTGOING
  - H - INTERNAL
  - I - INCOMING
- Date Correspondence Received (YY/MM/DD) 8/10/91

8129346

Name of Correspondent: Virgil Submann

MI Mail Report      User Codes: (A) \_\_\_\_\_ (B) \_\_\_\_\_ (C) \_\_\_\_\_

Subject: Opposes \$12.50 a day compensation for the hostages.  
(Father of a former hostage)

ROUTE TO:		ACTION		DISPOSITION		
Office/Agency	(Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
		ORIGINATOR	1 1			1 1
		Referral Note:				
<u>1-1</u>	<u>DDS</u>	<u>A: KCH</u>	<u>8/11/106</u>		<u>A</u>	<u>8/11/106</u>
		Referral Note:				
			1 1			1 1
		Referral Note:				
			1 1			1 1
		Referral Note:				
			1 1			1 1
		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  
 Code = "A"  
 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.

UNCLASSIFIED  
(Classification)

S/S # 8129346

Date NOV 10 1981

DEPARTMENT OF STATE  
EXECUTIVE SECRETARIAT  
TRANSMITTAL FORM

81 NOV 10 P11:04

WHITE HOUSE  
SITUATION ROOM

FOR: Mr. Richard V. Allen  
National Security Council  
The White House

REFERENCE:

TO: The President FROM: Mr. Virgil Sukmann  
DATE: Undated SUBJECT: Opposes \$12.50-a-  
day compensation for hostages (father of a former hostage)

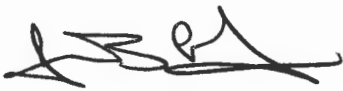
WHITE HOUSE REFERRAL DATED: 10/6/81 NSC # 041721  
(if any)

THE ATTACHED ITEM WAS SENT DIRECTLY  
TO THE DEPARTMENT OF STATE

ACTION TAKEN:

- A draft reply is attached.
- A draft reply will be forwarded.
- A translation is attached.
- An information copy of a direct reply is attached.
- We believe no response is necessary for the reason cited below.
- Other.

REMARKS:

for 

L. Paul Bremer, III  
Executive Secretary



United States Department of State

*Director General of the Foreign Service  
and Director of Personnel*

*Washington, D.C. 20520*

C  
O  
P  
Y

November 6, 1981

Mr. Virgil Sickmann  
Route 3  
Washington, Missouri 63090

Dear Mr. Sickmann:

I have been asked to reply to your recent letter to President Reagan on the Hostage Commission's recommendation that former hostages be awarded, through legislation, tax-exempt benefits in the amount of \$12.50 per day for each day of captivity.

I can appreciate your concerns that this amount is too low, but perhaps it will be useful to comment on how the Hostage Compensation Commission reached its conclusions. The Commission decided such benefits should be comparable to those paid Vietnam prisoners of war and to the crew of the Pueblo. The \$12.50 figure was chosen as being equivalent to the lesser daily rates paid at an earlier time. As you know, the Hostage Relief Act of 1980 also contained other financial benefits for former hostages, including tax exemptions on salary earned while in captivity, and educational and medical benefits.

The Administration has not yet finished its review of the Hostage Commission's recommendations. Once the review is finished, we expect that the necessary legislation recommended by the Commission will be introduced, but it is too soon to say what its exact provisions will be. There is no question that the issue of an additional compensation for former hostages is a difficult one and no solution will be satisfactory to everyone. Nevertheless we hope that the final result will be fair and equitable.

Sincerely,

/s/

Joan M. Clark



DOS/Rm 1004

8129346

041721

(Mr President Reagan)

I dont no how to put this  
 into words as a father of a former  
 (Hostage) in Iran a (Marine)  
 and I speak for all the (Hostages)  
 where held captivity for (444 days)  
 and now you want to buy them  
 off for \$1250 a day what I'm  
 trying to say your are paying  
 \$12.50 a day to get men to protect  
 our Country and fight to keep  
 this great Country of ours (free)  
 at this time what do you think  
 as going through there minds  
 and the people in the World  
 when they hear something like  
 this surely these (Hostages) done there  
 job for there Country maybe  
 you ought to take the \$12.50 a  
 day and give it to the (Deantors)  
 for there (expense) account)

David Submune  
 Washington Mo

B.E 3 63090

(Let me hear from you)

THE WHITE HOUSE OFFICE

REFERRAL

OCTOBER 6, 1981

8129346

TO: DEPARTMENT OF STATE  
ATTN: ROOM 1004

ACTION REQUESTED:  
APPROPRIATE ACTION

DESCRIPTION OF INCOMING:

ID: 041721  
MEDIA: LETTER  
TO: PRESIDENT REAGAN  
FROM: MR. VIRGIL SUKMANN  
ROUTE 3  
WASHINGTON MO 63090

SUBJECT: OPPOSES 12.50 A DAY COMPENSATION OF THE  
HOSTAGES (FATHER OF A FORMER HOSTAGE)

PROMPT ACTION IS ESSENTIAL — IF REQUIRED ACTION HAS NOT BEEN  
TAKEN WITHIN 9 WORKING DAYS OF RECEIPT, PLEASE TELEPHONE THE  
UNDERSIGNED AT 456-7486.

RETURN CORRESPONDENCE, WORKSHEET AND COPY OF RESPONSE  
(OR DRAFT) TO:  
AGENCY LIAISON, ROOM 62, THE WHITE HOUSE

BY DIRECTION OF THE PRESIDENT:  
SALLY KELLEY  
DIRECTOR OF AGENCY LIAISON  
PRESIDENTIAL CORRESPONDENCE



OFFICE OF THE SECRETARY OF THE TREASURY

WASHINGTON, D.C. 20220

May 17, 1982

04440625  
COO71 5/23  
To: F. Fielding  
Suj  
CF

FORWARDED  
5/24  
CF

MEMORANDUM FOR: Craig L. Fuller  
Assistant to the President for  
Cabinet Affairs

FROM: David Chew *DC*  
Executive Assistant to the Secretary

SUBJECT: Periodic Reports to Congress about the National  
Emergency with Respect to Iran

This memorandum is in response to yours to me dated May 10, 1982, attaching Fred Fielding's comments on our last report to Congress on the Iran emergency.

In such reports pursuant to Section 204(c) of the International Emergency Economic Powers Act, we have attempted to summarize in brief fashion major actions taken since the last report and significant changes in matters previously reported, as required by the Act. With respect to Fred Fielding's concerns regarding updating of the previous report, regrettably much of the information he suggested for inclusion is not available, for example, the dollar amounts of claims filed with the Iran-U.S. Claims Tribunal and the final resolution of the four inter-governmental issues that remain under Tribunal consideration. Claims submissions are still being tallied, and although the Tribunal has heard arguments on the four issues, it has not yet rendered its opinions. More information should be available by the date of the next report. We will then follow up on points mentioned in the May 6 report, and, as appropriate, points Fred Fielding raised from the preceding report.

One way to approach the reporting requirement of Section 204(c) is to consider six-month intervals from the original report on the declaration of the Iran emergency on November 14, 1979. Viewed in this way, reports during this Administration were required by May 14, 1981, November 14, 1981, and today, May 14, 1982. Thus the last three reports have met these reporting dates. The next report would be due by November 14, 1982.

In order to provide ample time for White House consideration of the next report, we will transmit our proposed report by October 14, 1982. If this arrangement is not convenient, please let me know.

044406CS

REC'D. CA MAY 13 1982

'82 MAY 17 P2:44



MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

04440625

00071

April 1, 1982

MEMORANDUM FOR DICK DARMAN

FROM: BILL CLARK *WJC*

SUBJECT: Report to Congress Concerning  
the Iran Emergency

I concur in the proposed Report to Congress at Tab A.

Attachment

Tab A - Report to Congress

MW

MEMORANDUM

NATIONAL SECURITY COUNCIL

ACTION

March 31, 1982

SIGNED

MEMORANDUM FOR WILLIAM P. CLARK

FROM: GEOFFREY KEMP *GK*  
SUBJECT: Report to Congress Concerning  
the Iran Emergency

The memorandum for your signature to Richard Darman at Tab I relays your approval to the proposed report to Congress (Tab A), which briefly summarizes developments concerning the Iran emergency.

Norman Bailey and <sup>*Boh*</sup> Robert Kimmitt concur.

RECOMMENDATION

That you sign the memorandum to Richard Darman at Tab I.

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_

Attachments

- Tab I - Memorandum to Richard Darman
- A - Proposed Report to Congress

FOR STAFFING

URGENT


2.159  
Document No. 044406CS

WHITE HOUSE STAFFING MEMORANDUM

**UNCLASSIFIED**

DATE: 3/31/82 ACTION/CONCURRENCE/COMMENT DUE BY: 3/31/82 c.o.b.

SUBJECT: REPORT TO CONGRESS CONCERNING IRAN EMERGENCY

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input type="checkbox"/>	GERGEN	<input type="checkbox"/>	<input type="checkbox"/>
MEESE	<input type="checkbox"/>	<input type="checkbox"/>	HARPER	<input type="checkbox"/>	<input type="checkbox"/>
BAKER	<input type="checkbox"/>	<input type="checkbox"/>	JAMES	<input type="checkbox"/>	<input type="checkbox"/>
DEAVER	<input type="checkbox"/>	<input type="checkbox"/>	JENKINS	<input type="checkbox"/>	<input type="checkbox"/>
STOCKMAN	<input type="checkbox"/>	<input type="checkbox"/>	MURPHY	<input type="checkbox"/>	<input type="checkbox"/>
CLARK 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROLLINS	<input type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input type="checkbox"/> P	<input type="checkbox"/> SS	WILLIAMSON	<input type="checkbox"/>	<input type="checkbox"/>
DOLE	<input type="checkbox"/>	<input type="checkbox"/>	WEIDENBAUM	<input type="checkbox"/>	<input type="checkbox"/>
DUBERSTEIN	<input type="checkbox"/>	<input type="checkbox"/>	BRADY/SPEAKES	<input type="checkbox"/>	<input type="checkbox"/>
FIELDING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input type="checkbox"/>
FULLER	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

Remarks:

Any comments? For your clearance. Thank you.

Richard G. Darman  
Assistant to the President  
(x2702)

Response:

THE WHITE HOUSE  
WASHINGTON

044406CS  
COO71

WS

May 10, 1982

MEMORANDUM FOR DAVID CHEW

FROM: CRAIG L. FULLER 

SUBJECT: Periodic Report to the Congress about  
National Emergency with Respect to Iran

The points raised in the attached memorandum from Fred Fielding seem worthy of consideration. Would you please review them and confer with the appropriate people at Treasury.

Thanks.

Attachment



DATE SENT:

11/10/81

CLASSIFIED MATERIAL

V 2086645

Return Receipt To Sender

TO:

Director, S/S-I, 724NS

FROM:

WHITE HOUSE / Mr. Richard V. Allen

PART IV

DATE

RECEIVED:

(Signature of Addressee)

IDENTIFICATION

S/S 8129346 /

ADDRESSEE SIGN AFTER CHECKING AND RETURN TO SENDER.  
RETAINED BY SENDER FOR 3 YEARS

Optional Form 112  
Rev. 8/79  
State AID USICA

THE WHITE HOUSE  
WASHINGTON

de

Date: 5/5/82

NOTE FOR: CRAIG FULLER

The President has

- seen
- acted upon
- commented upon

the attached; and it is forwarded to you for your:

- information
- action

Richard G. Darman  
Assistant to the President  
(x-2702)

~~XX:~~

Please take Fred Fielding's  
comments (3/30/82 memo) into  
consideration when next report  
is due.



109

ID # 044406CUC  
C0071

### WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

- O - OUTGOING
  - H - INTERNAL
  - I - INCOMING
- Date Correspondence Received (YY/MM/DD)    /    /

Name of Correspondent: Richard G. Dorman

MI Mail Report      User Codes: (A) \_\_\_\_\_ (B) \_\_\_\_\_ (C) \_\_\_\_\_

Subject: Periodic Report to the Congress  
Wont National Emergency with Respect

**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>CU Holland</u>	<u>ORIGINATOR</u>	<u>82,03,30</u>		<u>C</u>	<u>82,03,30</u>
	Referral Note:				
<u>CU AT 09</u>	<u>D</u>	<u>82,03,30</u>		<u>C</u>	<u>82,03,30</u>
	Referral Note:				
<u>CU FIEL</u>	<u>S</u>	<u>82,03,30</u>	<u>FF</u>	<u>A</u>	<u>82,03,30</u>
	Referral Note:				
		<u>  </u> / <u>  </u> / <u>  </u>			<u>  </u> / <u>  </u> / <u>  </u>
	Referral Note:				
		<u>  </u> / <u>  </u> / <u>  </u>			<u>  </u> / <u>  </u> / <u>  </u>
	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
- Code = "A"
- 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.



# 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	_____	Time: _____	P- _____
DSP	_____	Time: _____	Media: _____

**SIGNATURE CODES:**

- CPn - Presidential Correspondence
- n - 0 - Unknown
- n - 1 - Ronald Wilson Reagan
- n - 2 - Ronald Reagan
- n - 3 - Ron
- n - 4 - Dutch
- n - 5 - Ron Reagan
- n - 6 - Ronald
- n - 7 - Ronnie

- CLn - First Lady's Correspondence
- n - 0 - Unknown
- n - 1 - Nancy Reagan
- n - 2 - Nancy
- n - 3 - Mrs. Ronald Reagan

- CBn - Presidential & First Lady's Correspondence
- n - 1 - Ronald Reagan - Nancy Reagan
- n - 2 - Ron - Nancy

**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

THE WHITE HOUSE

WASHINGTON

March 31, 1982

FOR: FRED F. FIELDING

FROM: PETER J. RUSTHOVEN 

SUBJECT: Periodic Report to the Congress about  
National Emergency with Respect to Iran

The White House has now received from Treasury Secretary Regan a draft of the above-referenced report, which the President is required to submit to the Congress under § 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. § 1703(c), and we have been asked by Richard Darman's office to review it. (At our suggestion, a copy has also been forwarded to Judge Clark's office for review.)

Basically, the statute requires the periodic reports simply to provide updates on actions taken since the previous report and on any changes in the information previously submitted. Based on a review of the report submitted September 22, 1981, the present draft appears generally to comply with this requirement. Also, the present draft attaches copies of notices and regulatory changes published in the Federal Register since the last report, consistent with the requirement of § 401(b) of the National Emergencies Act, 50 U.S.C. § 1641(b), that relevant rules and regulations promulgated with respect to dealing with a national emergency be submitted to the Congress. (The three Federal Register items attached to this report are all fairly technical matters.)

Although the report seems generally acceptable, I do recommend that our memorandum for Darman mention the following points:

- (1) A few things covered in the September 1981 report were not mentioned in the present draft report; also, on a couple of points it seemed that more information could be included. Probably none of these things must be included in the present report as a matter of "law," but I think we should at least note them. These are detailed on the proposed memorandum for Darman I have prepared.

- (2) Although the Iran situation is probably not as politically sensitive as it was even six or seven months ago, it retains some sensitivity. Since the various financial and foreign policy aspects are also very complicated and technical, at this stage, I think we should recommend that press inquiries generally be referred to Treasury, State and Justice (depending on the precise subject matter of the inquiry).
- (3) Given the lack of foreign policy expertise in our office, I would underscore that the comments of Judge Clark's office (if any) should be carefully considered.
- (4) As you know, this report is late, as it was last fall, and may not have been prepared even by this time had not our office alerted Treasury to this problem. I think we should mention this again, and suggest that Craig Fuller's office may want to keep an eye on this with respect to the next report that will be due in the next six months. Since the report was "staffed" from Fuller to Darman and then to us, I have copied Fuller on our memorandum to Darman.

The proposed memorandum for Darman is attached for your review and signature.

Attachment

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

March 30, 1982

044406CS  
1110  
CO 071  
FE007  
RS  
FGD12

FOR: RICHARD G. DARMAN  
ASSISTANT TO THE PRESIDENT AND  
DEPUTY TO THE CHIEF OF STAFF

FROM: FRED F. FIELDING  
COUNSEL TO THE PRESIDENT

SUBJECT: Periodic Report to the Congress about  
National Emergency with Respect to Iran

I have reviewed the draft of the above-referenced report, which has now been submitted by the Department of the Treasury, and have the following comments:

- ° In general, the report appears to comply with the requirements of § 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. § 1703(c), that the periodic reports submitted pursuant to that section provide an update on actions taken since the previous periodic report and on any changes since the last report. Also, the attachment of notices and regulatory changes published in the Federal Register since the last report is consistent with the requirement of § 401(b) of the National Emergencies Act, 50 U.S.C. § 1641(b), that copies of relevant rules and regulations about aspects of the national emergency in question be submitted to the Congress.
- ° However, the present draft report contains little information on some matters described as pending in the previous report; also, it might be helpful to provide additional information on a few matters. Though these types of things probably do not have to be included in the report as a matter of "law," you may want to check with appropriate persons at Treasury (or State or Justice, with whom preparation of the draft was coordinated) about the following:
  - Paragraph 1 of the present draft describes the number of claims that have been filed as of the deadline with the Iran - U.S. Claims Tribunal. It would seem appropriate to include the total dollar amount of claims filed (or a reasonable estimate thereof), if such information is available.

REC'D. CA APR 01 1982



- Paragraph 2 of the present draft describes "four important issues" involving the Security Account established in the Netherlands Settlement Bank that were not resolved in negotiations and have been referred to the Claims Tribunal. The paragraph adds that the issues have been briefed and argued, and that a decision may be made in the next few weeks.

The same four matters were described in paragraph 4 of the September 22, 1981 report, where it was noted that the Claims Tribunal "is expected to decide the issues shortly." If there is any explanation for what appears to have been a delay in resolution of these issues, it might be appropriate to include the explanation in the present report. Also, it might be helpful to note where the U.S. stands on these four questions.

- Paragraph 5 of the September 22, 1981 report referred to negotiations between U.S. banks and Bank Markazi Iran about unresolved issues involving repayment of various matters from a \$1.418 billion escrow account held by the Bank of England, and noted that, as of that report, "no payments have been made out of this account."

The present draft makes no reference to this matter other than describing, in the last part of paragraph 3, a December 1981 Federal Register notice requiring U.S. banks to register with the Treasury's Office of Foreign Assets if they intended to assert claims against this escrow account, which list was then "provided to Iran to facilitate the settlement of those bank claims against Iran." Some information about the amount of claims of this sort, Iran's present position (if known) on these matters, and whether any payments out of this account have been made to date would seem appropriate to include. Also, since the previous report specified the amount of the account as "\$1.418 billion," we should be consistent in this report, rather than using the figure "\$1.4 billion."

-- Paragraph 6 of the September 22, 1981 report described Treasury's review of cases in which Iran's claims for return of "nonfinancial" property were questioned, or in which Iran was claimed not to have paid charges against the property in question. Unless something has escaped my attention, there is no reference to this in the present draft report, and I think some reference to the current status of these matters would be appropriate.

- Although the Iranian situation is probably not as politically sensitive as it was even six or seven months ago, it retains some sensitivity. Also, the matters covered in this and previous reports are fairly technical. Accordingly, I recommend that any press inquiries on this matter that go beyond very basic or obvious points should be referred to Treasury, State or Justice (depending upon the precise nature of the inquiry).
- Given the foreign policy aspects of this matter, on which our office is obviously not expert, I would simply underscore that careful attention be paid to any comments made by Judge Clark's office. There may be some foreign policy nuances in this report that were not noticed by me in reviewing this.
- Finally, as you know from my memorandum for you of last week, this report is late (as was the report filed last September). Craig Fuller may want to take a moment to emphasize to Treasury that the White House would like to see the next report submitted in time to permit careful staffing and review prior to submission to the Congress within the six-month period required by law.

Let me know if you have any questions; thank you.

cc: Craig L. Fuller


FFF:PJR 3/31/82

cc: FFFielding  
PJRusthoven  
Subject  
Chron.

### WHITE HOUSE STAFFING MEMORANDUM

DATE: 3/31/82 ACTION/CONCURRENCE/COMMENT DUE BY: 3/31/82 c.o.b.

SUBJECT: REPORT TO CONGRESS CONCERNING IRAN EMERGENCY

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input type="checkbox"/>	GERGEN	<input type="checkbox"/>	<input type="checkbox"/>
MEESE	<input type="checkbox"/>	<input type="checkbox"/>	HARPER	<input type="checkbox"/>	<input type="checkbox"/>
BAKER	<input type="checkbox"/>	<input type="checkbox"/>	JAMES	<input type="checkbox"/>	<input type="checkbox"/>
DEAVER	<input type="checkbox"/>	<input type="checkbox"/>	JENKINS	<input type="checkbox"/>	<input type="checkbox"/>
STOCKMAN	<input type="checkbox"/>	<input type="checkbox"/>	MURPHY	<input type="checkbox"/>	<input type="checkbox"/>
CLARK	<input type="checkbox"/>	<input type="checkbox"/>	ROLLINS	<input type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input type="checkbox"/> P	<input type="checkbox"/> SS	WILLIAMSON	<input type="checkbox"/>	<input type="checkbox"/>
DOLE	<input type="checkbox"/>	<input type="checkbox"/>	WEIDENBAUM	<input type="checkbox"/>	<input type="checkbox"/>
DUBERSTEIN	<input type="checkbox"/>	<input type="checkbox"/>	BRADY/SPEAKES	<input type="checkbox"/>	<input type="checkbox"/>
FIELDING	 <input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input type="checkbox"/>
FULLER	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

Remarks:

Any comments?

Richard G. Darman  
Assistant to the President  
(x2702)

Response:

TO THE CONGRESS OF THE UNITED STATES:

Pursuant to Section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. Section 1703(c), I hereby report to the Congress with respect to developments since my report of September 22, 1981, concerning the national emergency with respect to Iran that was declared in Executive Order No. 12170 of November 14, 1979.

1. The Iran-United States Claims Tribunal provided for in the Claims Settlement Agreement of January 19, 1981 has been established at The Hague in the Netherlands. Some 5,000 claims were filed with the Tribunal by the January 19, 1982, deadline. These included 2,795 "small" claims (less than \$250,000 each) of U.S. nationals and 18 "official" claims of the U.S. against Iran. Although the Tribunal has not yet completed its initial processing of all the claims, it now appears that there are, in addition, some 630 "large" claims, in the amount of \$250,000 or more each, of U.S. nationals against Iran and as many as 1500 claims by Iran against the U.S. and its nationals. The Department of State, with the assistance of the Departments of the Treasury and Justice and other concerned government agencies, is coordinating the United States response to the Iranian claims and is preparing to assist U.S. nationals with claims against Iran.

2. Four important issues, concerning the \$1 billion Security Account established in the Netherlands Settlement Bank to pay Tribunal awards, which were not resolved in negotiations with Iran were referred to the Claims Tribunal. Written submissions have been made and oral arguments have been heard. The Tribunal may decide these issues within the next few weeks. These issues concern (1) the disposition of the interest accruing on the funds in the Security Account;

(2) indemnification of the Settlement Bank of the Netherlands and its parent, the Netherlands Central Bank, as manager of the funds deposited with the Settlement Bank, against any claims relating to the Security Account; (3) payment of the administrative fees of the Settlement Bank; and (4) payment of settlements with U.S. claimants worked out directly between the U.S. claimants and Iran.

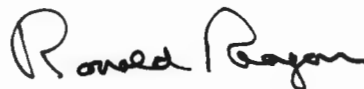
3. Since my report submitted to Congress last fall, there have been no major regulatory amendments or transfers of assets by or through the U.S. government under the January 19, 1981 agreements with Iran. However, I attach herewith three excerpts from the Federal Register that deal with the Iranian Assets Control Regulations. The first is a notice reminding U.S. account parties, on whose behalf standby letters of credit were issued by U.S. banks in favor of Iran or Iranian entities, of the January 19, 1982 deadline for filing claims with the Claims Tribunal. The second is an amendment to the Iranian Assets Control Regulations which amends the licensing procedure for account party establishment on company books of substitute blocked accounts in favor of Iran, in lieu of payments by banks to Iran under standby letters of credit in favor of Iran. The amendment provides extra time for obtaining a license or for establishment of such substitute blocked accounts by account parties in cases involving court orders barring payments to Iran under standby letters of credit.

Also attached is the amendment to the Iranian Assets Control Regulations that appeared in the Federal Register on December 7, 1981. It required U.S. banking institutions to register with the Office of Foreign Assets, Department of the Treasury, if they intended to assert claims against the escrow account at the Bank of England that was established with the deposit of \$1.4 billion in January 1981. That account

was established pursuant to Paragraph 2(B) of the January 19, 1981 Undertakings of the Governments of Iran and the United States, primarily for the purpose of paying non-syndicated debt claims of U.S. banks against Iran. The list of banks that registered was provided to Iran to facilitate the settlement of those bank claims against Iran.

4. Over the last six months, there have been several technical discussions with officials of Iran in The Hague concerning various aspects of the implementation of the agreements of January 19, 1981. These meetings have contributed to a better understanding of the differences between our two governments and the ways in which they might be resolved. We are continuing to explore ways in which the Tribunal's arbitral process can be made more efficient.

5. Several financial and diplomatic aspects of the crisis with Iran have not yet been resolved and continue to present an unusual and extraordinary threat to the national security and foreign policy of the United States. I shall continue to exercise the powers at my disposal to deal appropriately with these problems and will continue to report periodically to Congress on significant developments.



THE WHITE HOUSE,



Dg

ID # 044406 CU  
0071

### WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

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

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

Name of Correspondent: Richard G. Darman

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

Subject: Periodic Report to the Congress about National Emergency with Respect to Iran

ROUTE TO:		ACTION	DISPOSITION		
Office/Agency	(Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Completion Date YY/MM/DD
<u>CU Holland</u>		<u>ORIGINATOR</u>	<u>82,03,25</u>	<u>C</u>	<u>82,03,25</u>
		Referral Note:			
<u>CU AT 09</u>		<u>D</u>	<u>82,03,25</u>	<u>C</u>	<u>82,03,25</u>
		Referral Note:			
<u>CU FIEL</u>		<u>S</u>	<u>82,03,25</u>	<u>FF A</u>	<u>82,03,25</u>
		Referral Note:			
			<u>  </u> / <u>  </u> / <u>  </u>		<u>  </u> / <u>  </u> / <u>  </u>
		Referral Note:			
			<u>  </u> / <u>  </u> / <u>  </u>		<u>  </u> / <u>  </u> / <u>  </u>
		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
- Code = "A"
- 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.



# RECORDS MANAGEMENT ONLY

## CLASSIFICATION SECTION

No. of Additional Correspondents: \_\_\_\_\_ Media: 0 Individual Codes: 1110 \_\_\_\_\_

Prime Subject Code: CO 071 Secondary Subject Codes: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

## PRESIDENTIAL REPLY

Code	Date	Comment	Form
C	_____	Time: _____	P- _____
DSP	_____	Time: _____	Media: _____

**SIGNATURE CODES:**

- CPn - Presidential Correspondence**
- n - 0 - Unknown
- n - 1 - Ronald Wilson Reagan
- n - 2 - Ronald Reagan
- n - 3 - Ron
- n - 4 - Dutch
- n - 5 - Ron Reagan
- n - 6 - Ronald
- n - 7 - Ronnie
  
- CLn - First Lady's Correspondence**
- n - 0 - Unknown
- n - 1 - Nancy Reagan
- n - 2 - Nancy
- n - 3 - Mrs. Ronald Reagan
  
- CBn - Presidential & First Lady's Correspondence**
- n - 1 - Ronald Reagan - Nancy Reagan
- n - 2 - Ron - Nancy

**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

THE WHITE HOUSE

WASHINGTON

March 25, 1982

FOR: RICHARD G. DARMAN  
ASSISTANT TO THE PRESIDENT AND  
DEPUTY TO THE CHIEF OF STAFF

FROM: FRED F. FIELDING *Orig. signed by FFF*  
COUNSEL TO THE PRESIDENT

SUBJECT: Periodic Report to the Congress about  
National Emergency with Respect to Iran

Under section 204(c) of the International Emergency Economic Power Act, 50 U.S.C. § 1703(c), the President is to submit to the Congress at least once during each succeeding six-month period a report with respect to actions taken pursuant to any exercise of the authorities granted by that Act. This section requires, therefore, that the President submit semi-annual reports about the various actions taken pursuant to the Act against Iran, in connection with the national emergency declared by President Carter after the hostage seizure.

The first report required during this Administration was submitted February 24, 1981. The next report, though due by August 24, 1981, was not prepared by the Department of the Treasury and submitted to the White House for staffing and review until September, and was not submitted to the Congress until September 22, 1981. The next report was due either February 24, 1982 or March 22, 1982, depending on which of the dates for the two earlier reports one takes as the appropriate starting point for computing the present due date.

It is our understanding from the Executive Clerk's office, which advised that they had checked with your office, that the White House had not (at least as of a few days ago) received anything from Treasury in connection with the report that is now overdue. We called Treasury to check on this matter as soon as we were alerted to it, and will follow-up on an expedited basis. When the draft report does arrive, we will obviously want to get it staffed and reviewed as rapidly as possible.

I will keep you posted on this matter; let me know if you have any questions.

FFF:PJR 3/25/82  
cc: FFFielding  
PJRusthoven  
Subject  
Chron.

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

March 24, 1982

FOR: FRED F. FIELDING  
FROM: PETER J. RUSTHOVEN *PJR*  
SUBJECT: Periodic Report to the Congress about  
National Emergency with Respect to Iran

As you requested following my memorandum for you yesterday on the above-referenced matter, I attempted to reach Deputy Secretary of the Treasury R.T. McNamar today to find out the status of the report to Congress that now appears to be overdue. I was told that McNamar is on vacation, so I spoke to his assistant, Mary Bush, and filled her in on the background of this matter. She is to call me tomorrow with a status report.

As you also requested, attached for your review and signature is a memorandum for Richard Darman advising him of this matter and of the steps we are taking.

I will keep you posted of developments.

Attachment

*Didn't I already  
send this?*



MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

March 23, 1982

FOR: FRED F. FIELDING  
FROM: PETER J. RUSTHOVEN *PJR*  
SUBJECT: Periodic Report to the Congress about  
National Emergency with Respect to Iran

① Move in this ASAP  
② Imp memo to Darman  
now says its late  
again & we're  
checking on reported  
basis  
③ Thanks  
→ 3/23/82

Dan Marks of the Executive Clerk's Office spoke to me this week about the above-referenced matter, indicating that we were running up against a Congressional reporting deadline and that he had checked with Richard Darman's office and had been told they had not seen anything yet in connection with the report that needs to be filed.

The background of this matter, for present purposes, is relatively straightforward. Executive Order No. 12170 (Nov. 14, 1979), which the Clerk's Office says has not been amended, superseded or revoked, declared a national emergency with respect to Iran. Section 204(c) of the International Emergency Economic Power Act, 50 U.S.C. § 1703(c), requires the President to submit periodic reports to the Congress "with respect to the actions taken" pursuant to "an exercise of [the] authorities under this chapter." These "authorities" encompass the various actions taken with respect to Iran in the wake of the hostage seizure. After the first report, the reports are to be submitted "[a]t least once during each succeeding six-month period." A copy of this statutory section is attached.

President Reagan submitted the first periodic report due during this Administration, evidently in a timely fashion, on February 24, 1981. The next report was not submitted until September 22, 1981 -- almost a month late. The materials in Central Files on this matter include a copy of your memorandum commenting on the September report, which notes that the report is late and that future ones should be prepared and submitted in a timely fashion. I do not know who drafted this memorandum for you; a copy of it is attached for your reference. If we take the February 24 date as the starting point for determining the due date of the report to be filed now, it is again almost a month delinquent; if we take September 22 as the starting point, we are one day late as of this writing.

Ed Wilson did  
9/4 memo

The Central Files materials also indicate that the September draft report was submitted to the White House by Deputy Secretary of the Treasury R.T. McNamar. (McNamar's cover letter at that time stated that one of the reasons the report was late involved awaiting finalization of some matters to be covered in the report.) I think one of us should call McNamar to find out what, if anything, is going on, but did not want to do so without first advising you.

I am holding the Central Files materials pending resolution of this matter. Please advise; thank you.

Attachments



property, or relative to any property in which any foreign country or any national thereof has or has had any interest, or as may be otherwise necessary to enforce the provisions of such paragraph. In any case in which a report by a person could be required under this paragraph, the President may require the production of any books of account, records, contracts, letters, memoranda, or other papers, in the custody or control of such person.

(3) Compliance with any regulation, instruction, or direction issued under this chapter shall to the extent thereof be a full acquittance and discharge for all purposes of the obligation of the person making the same. No person shall be held liable in any court for or with respect to anything done or omitted in good faith in connection with the administration of, or pursuant to and in reliance on, this chapter, or any regulation, instruction, or direction issued under this chapter.

(b) The authority granted to the President by this section does not include the authority to regulate or prohibit, directly or indirectly—

(1) any postal, telegraphic, telephonic, or other personal communication, which does not involve a transfer of anything of value; or

(2) donations, by persons subject to the jurisdiction of the United States, of articles, such as food, clothing, and medicine, intended to be used to relieve human suffering, except to the extent that the President determines that such donations (A) would seriously impair his ability to deal with any national emergency declared under section 1701 of this title, (B) are in response to coercion against the proposed recipient or donor, or (C) would endanger Armed Forces of the United States which are engaged in hostilities or are in a situation where imminent involvement in hostilities is clearly indicated by the circumstances.

Pub.L. 95-223, Title II, § 203, Dec. 28, 1977, 91 Stat. 1626.

Legislative History. For legislative 1977 U.S.Code Cong. and Adm.News, p. history and purpose of Pub.L. 95-223, see 4540.

§ 1703. Consultation and reports—Consultation with Congress

(a) The President, in every possible instance, shall consult with the Congress before exercising any of the authorities granted by this chapter and shall consult regularly with the Congress so long as such authorities are exercised.

Report to Congress upon exercise of Presidential authorities

(b) Whenever the President exercises any of the authorities granted by this chapter, he shall immediately transmit to the Congress a report specifying—

(1) the circumstances which necessitate such exercise of authority;

(2) why the President believes those circumstances constitute an unusual and extraordinary threat, which has its source in whole or substantial part outside the United States, to the national security, foreign policy, or economy of the United States;

(3) the authorities to be exercised and the actions to be taken in the exercise of those authorities to deal with those circumstances;

(4) why the President believes such actions are necessary to deal with those circumstances; and

(5) any foreign countries with respect to which such actions are to be taken and why such actions are to be taken with respect to those countries.

Periodic follow-up reports

(c) At least once during each succeeding six-month period after transmitting a report pursuant to subsection (b) of this section with respect to an exercise of authorities under this chapter, the President shall report to the Congress with respect to the actions taken, since the last such report,

last report sent 9/22/81 211

## 50 § 1703 WAR AND NATIONAL DEFENSE

in the exercise of such authorities, and with respect to any changes which have occurred concerning any information previously furnished pursuant to paragraphs (1) through (5) of subsection (b) of this section.

### Supplemental requirements

(d) The requirements of this section are supplemental to those contained in title IV of the National Emergencies Act.

Pub.L. 95-223, Title II, § 204, Dec. 28, 1977, 91 Stat. 1627.

References in Text. Title IV of the National Emergencies Act, referred to in subsec. (d), is classified to section 1641 of this title.

Legislative History. For legislative history and purpose of Pub.L. 95-223, see 1977 U.S.Code Cong. and Adm.News, p. 4540.

### § 1704. Authority to issue regulations

The President may issue such regulations, including regulations prescribing definitions, as may be necessary for the exercise of the authorities granted by this chapter.

Pub.L. 95-223, Title II, § 205, Dec. 28, 1977, 91 Stat. 1628.

Legislative History. For legislative history and purpose of Pub.L. 95-223, see 1977 U.S.Code Cong. and Adm.News, p. 4540.

### § 1705. Penalties

(a) A civil penalty of not to exceed \$10,000 may be imposed on any person who violates any license, order, or regulation issued under this chapter.

(b) Whoever willfully violates any license, order, or regulation issued under this chapter shall, upon conviction, be fined not more than \$50,000, or, if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director, or agent of any corporation who knowingly participates in such violation may be punished by a like fine, imprisonment, or both.

Pub.L. 95-223, Title II, § 206, Dec. 28, 1977, 91 Stat. 1628.

Legislative History. For legislative history and purpose of Pub.L. 95-223, see 1977 U.S.Code Cong. and Adm.News, p. 4540.

### § 1706. Savings provisions—Termination of national emergencies pursuant to National Emergencies Act

(a) (1) Except as provided in subsection (b) of this section, notwithstanding the termination pursuant to the National Emergencies Act of a national emergency declared for purposes of this chapter, any authorities granted by this chapter, which are exercised on the date of such termination on the basis of such national emergency to prohibit transactions involving property in which a foreign country or national thereof has any interest, may continue to be so exercised to prohibit transactions involving that property if the President determines that the continuation of such prohibition with respect to that property is necessary on account of claims involving such country or its nationals.

(2) Notwithstanding the termination of the authorities described in section 101(b) of this Act, any such authorities, which are exercised with respect to a country on the date of such termination to prohibit transactions involving any property in which such country or any national thereof has any interest, may continue to be exercised to prohibit transactions involving that property if the President determines that the continuation of such prohibition with respect to that property is necessary on account of claims involving such country or its nationals.

### Congressional termination of national emergencies by concurrent resolution

(b) The authorities described in subsection (a)(1) of this section may not continue to be exercised under this section if the national emergency is terminated by the Congress by concurrent resolution pursuant to section 202 of the National Emergencies Act and if the Congress specifies in such concurrent resolution that such authorities may not continue to be exercised under this section.

MEMORANDUM


THE WHITE HOUSE  
WASHINGTON

September 4, 1981

*bring to  
Pres after  
when  
to free.*

MEMORANDUM FOR RICHARD G. DARMAN

069654

FROM: FRED F. FIELDING 

SUBJECT: Report to Congress Concerning Iran Pursuant  
to the International Emergency Powers Act

At your request, I have reviewed the above-referenced Report to Congress and have the following comments, only the first of which effects the substance of it. The rest of my comments provide (in my opinion) necessary background to the text of the Report, but should not be included in it.

1. In the last line of Paragraph 4 of the Report, October 19 should be changed to October 20. October 19, 1981, is the end of the period during which United States claimants are to attempt to reach agreements directly with Iran, without resort to the Claims Tribunal. The three month period beginning October 20, 1981, refers to article 3, paragraph 4 of the Settlement Declaration of January 19, 1981.\* Since the President of the Tribunal was appointed before July 19, 1981, the closing date for filing claims with the Tribunal is one year after the entry into force of the Declarations, (which is later than six months after

\*The term "Settlement Declaration" refers to the "Declaration of the Government of the Democratic and Popular Republic of Algeria Concerning the Settlement of Claims by the Government of the United States of America and the Government of the Islamic Republic of Iran," initialed on January 19, 1981. The Settlement Declaration was the second of the two declarations signed on January 19. The first is referred to in the text by its full name, "Declaration of the Government of the Democratic and Popular Republic of Algeria."



the naming of the Claims Tribunal's President), or January 19, 1982.

2. The report is late. The International Emergency Economic Powers Act, 50 U.S.C. §1703(c), requires the President to file a report every six months. The last report was filed on February 24, 1981. Therefore, this Report should be filed as soon as possible and future reports should be prepared in a more timely fashion.
3. Paragraph 3 of the Report evidences that the United States altered the assets transfer procedures outlined in Paragraph 7 of the Declaration of the Government of the Democratic and Popular Republic of Algeria. Rather than transfer Iranian assets located in the United States to the Central Bank (agreed by the U.S. and Iran to be the N.V. Settlement Bank of the Netherlands) as the assets became available in the United States, the United States aggregated the assets at the Federal Reserve Bank of New York ("FED"). Once compiled, the entire amount was forwarded to the Central Bank. One billion dollars is being held by the Central Bank pursuant to the Settlement Declaration for the payment of U.S. claims. The remainder of the over two billion dollars was passed through the Central Bank to Iran in accordance with the Declaration.

The deviation from the Declarations is only one of form, it appears, because monies aggregated at the FED were held in an interest-bearing account. At the time of transfer to the Central Bank, accrued interest (approximately \$1 million per day) was transferred with the principal to the Central Bank and then to Iran. We should be prepared for questions concerning collection and transfer of the assets.

4. In the last sentence of the second paragraph of Paragraph 3 of the Report, it is noted that the U.S. has agreed to provide special liquidity support of up to five hundred million dollars to the Netherlands

Central Bank, which will hold the settlement account pursuant to the Declarations of January 19. It is my understanding that only the United States (and not Iran), has agreed to indemnify the Netherlands Central Bank for complications that may arise. If a problem occurs which reduces the Central Bank's ability to take effective action to protect the guilder, the United States is obligated (up to the sum of five hundred million dollars) to provide for foreign currency. This liquidity guarantee is not provided for in the Declarations and may be the cause of some questions.

5. In Paragraph 4 of the Report, a remaining question is noted concerning payment to U.S. claimants of settlements worked out directly between such claimants and Iran. The problem centers upon whether payment of the claims will be made from the settlement fund of one billion dollars held by the Central Bank (as Iran desires) or whether, as the United States wishes, these claims will be paid by Iran out of monies other than those contained in the settlement fund. The Department is not convinced that Iran will replenish the settlement fund as it drops below five hundred million dollars as it is required to do by paragraph 7 of the Declaration of the Government of the Democratic and Popular Republic of Algeria.

This topic appears to be a delicate one and the Press Office should be briefed accordingly.

BFB

THE WHITE HOUSE  
WASHINGTON

WS 044406CA  
1120  
C0071  
RS

CABINET AFFAIRS STAFFING MEMORANDUM

DATE: March 31, 1982 NUMBER: 044406CA DUE BY: n/a

SUBJECT: Report to Congress Concerning Iran Emergency

	ACTION	FYI		ACTION	FYI
ALL CABINET MEMBERS	<input type="checkbox"/>	<input type="checkbox"/>	Baker	<input type="checkbox"/>	<input type="checkbox"/>
Vice President	<input type="checkbox"/>	<input type="checkbox"/>	Deaver	<input type="checkbox"/>	<input type="checkbox"/>
State	<input type="checkbox"/>	<input type="checkbox"/>	Anderson	<input type="checkbox"/>	<input type="checkbox"/>
Treasury	<input type="checkbox"/>	<input type="checkbox"/>	Clark	<input type="checkbox"/>	<input type="checkbox"/>
Defense	<input type="checkbox"/>	<input type="checkbox"/>	Darman <i>(For WH Staffing)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Attorney General	<input type="checkbox"/>	<input type="checkbox"/>	Jenkins <i>(original)</i>	<input type="checkbox"/>	<input type="checkbox"/>
Interior	<input type="checkbox"/>	<input type="checkbox"/>	Gray	<input type="checkbox"/>	<input type="checkbox"/>
Agriculture	<input type="checkbox"/>	<input type="checkbox"/>	Beal	<input type="checkbox"/>	<input type="checkbox"/>
Commerce	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Labor	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HHS	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HUD	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Transportation	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Energy	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Education	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Counsellor	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
OMB	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
CIA	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
UN	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
USTR	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
CEA	<input type="checkbox"/>	<input type="checkbox"/>	CCNRE/Boggs	<input type="checkbox"/>	<input type="checkbox"/>
CEQ	<input type="checkbox"/>	<input type="checkbox"/>	CCHR/Carleson	<input type="checkbox"/>	<input type="checkbox"/>
OSTP	<input type="checkbox"/>	<input type="checkbox"/>	CCCT/Kass	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	CCFA/McLaughry	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	CCEA/Porter	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

The attached report submitted by the Secretary Regan is for forwarding to Congress, as required by the International Emergency Economic Powers Act. The previous periodic report, sent to Congress on September 22, 1981, is attached for your reference.

RETURN TO: Craig L. Fuller  
Assistant to the President  
for Cabinet Affairs  
456-2823

\* complete copy of report not retained





THE SECRETARY OF THE TREASURY  
WASHINGTON 20220

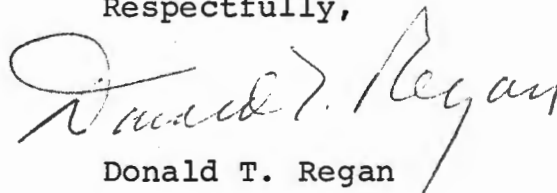
March 30, 1982

Dear Mr. President:

Under section 204(c) of the International Emergency Economic Powers Act, the President is required to make periodic reports to Congress concerning the Iran emergency. A proposed report, which briefly summarizes developments concerning the Iran emergency since your last report, is enclosed at Tab 1. This proposed report has been coordinated with the Departments of State and Justice. Your last report to Congress, dated September 22, 1981, is enclosed for your reference at Tab 2.

I recommend that you forward the proposed report to Congress at your earliest opportunity.

Respectfully,



Donald T. Regan

The President  
The White House  
Washington, D.C. 20500

Enclosures

To the Congress of the United States:

Pursuant to Section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. Section 1703(c), I hereby report to the Congress with respect to developments since my report of September 22, 1981, concerning the national emergency with respect to Iran that was declared in Executive Order No. 12170 of November 14, 1979.

1. The Iran - U.S. Claims Tribunal provided for in the Claims Settlement Agreement of January 19, 1981 has been established at The Hague in the Netherlands. Some 5,000 claims were filed with the Tribunal by the January 19, 1982, deadline. These included 2,795 "small" claims (less than \$250,000 each) of U.S. nationals and 18 "official" claims of the U.S. against Iran. Although the Tribunal has not yet completed its initial processing of all the claims, it now appears that there are, in addition, some 630 "large" claims, in the amount of \$250,000 or more each, of U.S. nationals against Iran and as many as 1500 claims by Iran against the U.S. and its nationals. The Department of State, with the assistance of the Departments of the Treasury and Justice and other concerned government agencies, is coordinating the United States response to the Iranian claims and is preparing to assist U.S. nationals with claims against Iran.

2. Four important issues, concerning the \$1 billion Security Account established in the Netherlands Settlement Bank to pay Tribunal awards, which were not resolved in negotiations with Iran were referred to the Claims Tribunal.

Written submissions have been made and oral arguments have been heard. The Tribunal may decide these issues within the next few weeks. These issues concern (1) the disposition of the interest accruing on the funds in the Security Account; (2) indemnification of the Settlement Bank of the Netherlands and its parent, the Netherlands Central Bank, as manager of the funds deposited with the Settlement Bank, against any claims relating to the Security Account; (3) payment of the administrative fees of the Settlement Bank; and (4) payment of settlements with U.S. claimants worked out directly between the U.S. claimants and Iran.

3. Since my report submitted to Congress last fall, there have been no major regulatory amendments or transfers of assets by or through the U.S. government under the January 19, 1981 agreements with Iran. However, I attach herewith three excerpts from the Federal Register that deal with the Iranian Assets Control Regulations. The first, at Tab A, is a notice reminding U.S. account parties, on whose behalf standby letters of credit were issued by U.S. banks in favor of Iran or Iranian entities, of the January 19, 1982 deadline for filing claims with the Claims Tribunal. The second, at Tab B, is an amendment to the Iranian Assets Control Regulations which amends the licensing procedure for account party establishment on company books of substitute blocked accounts in favor of Iran, in lieu of payments by banks to Iran under standby letters of credit in favor of Iran. The amendment provides extra time for obtaining a license or for establishment of such substitute blocked accounts by account

parties in cases involving court orders barring payments to Iran under standby letters of credit.

Also attached, at Tab C, is the amendment to the Iranian Assets Control Regulations that appeared in the Federal Register on December 7, 1981. It required U.S. banking institutions to register with the Office of Foreign Assets, Department of the Treasury, if they intended to assert claims against the escrow account at the Bank of England that was established with the deposit of \$1.4 billion in January, 1981. That account was established pursuant to Paragraph 2(B) of the January 19, 1981 Undertakings of the Governments of Iran and the United States, primarily for the purpose of paying non-syndicated debt claims of U.S. banks against Iran. The list of banks that registered was provided to Iran to facilitate the settlement of those bank claims against Iran.

4. Over the last six months, there have been several technical discussions with officials of Iran in The Hague concerning various aspects of the implementation of the agreements of January 19, 1981. These meetings have contributed to a better understanding of the differences between our two governments and the ways in which they might be resolved. We are continuing to explore ways in which the Tribunal's arbitral process can be made more efficient.

5. Several financial and diplomatic aspects of the crisis with Iran have not yet been resolved and continue to present an unusual and extraordinary threat to the national security and

and foreign policy of the United States. I shall continue to exercise the powers at my disposal to deal appropriately with these problems and will continue to report periodically to Congress on significant developments.



**Office of Foreign Assets Control****Account Parties with Standby Letters of Credit in Favor of an Iranian Entity**

**AGENCY:** Office of Foreign Assets Control, Treasury.

**ACTION:** Notice.

**SUMMARY:** This notice calls to the attention of account parties who have standby letters of credit in favor of an Iranian entity, including instruments against which no demand has been made, relevant factors concerning the purposes of certain sections of the Iranian Assets Control Regulations and the approach of the January 19, 1982, deadline for filing claims with the Iran-United States Claims Tribunal.

**FOR FURTHER INFORMATION CONTACT:** Dennis M. O'Connell, Director, Office of Foreign Assets Control, Department of the Treasury, Washington, D.C. 20220, Tel: (202) 376-0396.

Pursuant to the agreements of January 19, 1981, between the Governments of the United States and the Islamic Republic of Iran ("the Agreements"), §§ 535.212-535.215 of the Iranian Assets Control Regulations, 31 CFR Part 535 ("the Regulations"), direct the transfer of property in which Iran or an Iranian entity has an interest. However, § 535.438 provides that the transfer directives contained in §§ 535.212 through 535.214 do not apply to obligations under standby letters of credit as to which a blocked account has been established under § 535.568 of the Regulations or as to which payment is prohibited under an injunction obtained by the account party. Section 535.333 excludes obligations under standby letters of credit, including accounts established pursuant to § 535.568, from the definition of Iranian properties subject to transfer under § 535.215.

Under § 535.568 of the Regulations, U.S. banks which have issued or confirmed standby letters of credit in favor of an Iranian entity are required to give notice to the account party when a demand for payment under such letter of credit has been received. Section 535.568(b) permits the account party to

obtain a specific license from the Office of Foreign Assets Control authorizing it to establish a blocked account on its books in the name of the Iranian entity for the amount payable under the credit, in lieu of payment by the issuing or confirming bank into a blocked account and reimbursement by the account party. The Regulations provide that none of the transfer directives or other provisions added after conclusion of the Agreements modify the application of the prohibitions and procedures contained in §§ 535.201 and 535.568 to transactions involving standby letters of credit. See §§ 535.333, 535.438, and 535.579(b).

When adopted, § 535.568 was intended as a temporary measure to protect United States account parties from demands against standby letters of credit during the hostage crisis. After conclusion of the Agreements, § 535.568 was continued in force to allow the account parties and Iran to negotiate disputes concerning the standby letters of credit, as well as disputes concerning the contracts underlying these instruments, where relevant. In the event that such disputes could not be resolved, the Iran-United States Claims Tribunal ("the Tribunal") would be expected to handle standby letter of credit issues with underlying contract claims of U.S. nationals and any Iranian counterclaims arising out of the same transactions.

It has come to the attention of the United States Government that a number of account parties have been unable to resolve their disputes with Iran but have not filed claims with the Tribunal. The United States draws the attention of account parties having standby letters of credit in favor of an Iranian entity, including any such instruments against which no demand has been made, to the fact that the deadline for filing with the Tribunal is January 19, 1982. Account parties should give careful consideration to filing a claim by that time.

Account parties with questions concerning the procedures for filing statements of claim with the Tribunal are directed to notices published by the Department of State at 46 FR 58631 (Dec. 2, 1981), 46 FR 55468 (Nov. 9, 1981), 46 FR 49695 (Oct. 7, 1981), 46 FR 45057 (Sept. 9, 1981), and 46 FR 37418 (July 20, 1981). Account parties requiring further information should contact David P. Stewart, Administrator for Iranian Claims, Office of the Legal Adviser, Department of State, Washington, D.C. 20520; tel.: (202) 632-5040.

The United States notes that it could determine at some future time that it

would be appropriate to modify the current policy concerning standby letters of credit. In that event, modification or revocation of sections pertaining to those instruments could take place. Sections which might be affected in whole or in part include §§ 535.218, 535.222, 535.438, 535.568, and 535.579.

The United States Government reserves the right to require that account parties provide adequate assurances of indemnification to the United States against liability in the Tribunal if it is decided to continue the policies and procedures established in § 535.568 of the Regulations.

Dated: December 31, 1981.

Dennis M. O'Connell,  
Director, Office of Foreign Assets Control.

[FR Doc. 81-37480 Filed 12-31-81; 2:12 pm]

BILLING CODE 4810-26-01

## 31 CFR Part 535

**Iranian Assets Control Regulations:  
Time To Establish Blocked Accounts  
In Lieu of Payments Under Standby  
Letters of Credit**

**AGENCY:** Office of Foreign Assets Control, Treasury.

**ACTION:** Final rule.

**SUMMARY:** The Office of Foreign Assets Control is amending § 535.568 of the Iranian Assets Control Regulations. The purposes of this amendment are: (1) To establish procedures for the establishment of a blocked account by the account party to a standby letter of credit in cases where a demand for payment is outstanding and payment was barred by a court injunction which is removed; (2) to provide that the account party may apply for a specific license providing an extension of time to establish a blocked account where a demand for payment has been made and the account party has filed a petition in an appropriate court for a judicial order barring payment of a standby letter of credit.

**EFFECTIVE DATE:** March 19, 1982.

**FOR FURTHER INFORMATION CONTACT:** Raymond W. Konan, Chief Counsel, Office of Foreign Assets Control, Department of the Treasury, Washington, D.C. 20220, Tel. (202) 376-0236.

**SUPPLEMENTARY INFORMATION:** Since the Regulations involve a foreign affairs function, the provisions of the Administrative Procedure Act, 5 U.S.C. 553, requiring notice of proposed rulemaking, opportunity for public participation and delay in effective date, are inapplicable. Similarly, because the Regulations are issued with respect to a foreign affairs function of the United States, they are not subject to Executive Order 12291 of February 17, 1981, dealing with Federal regulations.

**PART 535—IRANIAN ASSETS  
CONTROL REGULATIONS**

Section 535.568 is amended by the addition of a new paragraph (c), the appropriate relettering of subsequent

paragraphs, the addition of appropriate references to new paragraph (c), and the revision of former paragraph (h). As revised § 535.568 reads as follows:

**§ 535.568 Certain Standby Letters of Credit and Performance Bonds.**

(a) Notwithstanding any other provision of law, payment into a blocked account in a domestic bank by an issuing or confirming bank under a standby letter of credit in favor of an Iranian entity is prohibited by § 535.201 and not authorized, notwithstanding the provisions of § 535.508, if either (1) a specific license has been issued pursuant to the provisions of paragraph (b) of this section or (2) eight business days have not expired after notice to the account party pursuant to paragraph (b) of this section.

(b) Whenever an issuing or confirming bank shall receive such demand for payment under a standby letter of credit, it shall promptly notify the person for whose account the credit was opened. Such person may then apply within five business days for a specific license authorizing the account party to establish a blocked account on its books in the name of the Iranian entity in the amount payable under the credit, in lieu of payment by the issuing or confirming bank into a blocked account and reimbursement therefor by the account party.

(c) Where there is outstanding a demand for payment under a standby letter of credit, and the issuing or confirming bank has been enjoined from making payment, upon removal of the injunction, the person for whose account the credit was opened may apply for a specific license for the same purpose and in the same manner as that set forth in paragraph (b) of this section. The issuing or confirming bank shall not make payment under the standby letter of credit unless (1) eight business days have expired since the bank has received notice of the removal of the injunction and (2) a specific license issued to the account party pursuant to the provisions of this paragraph has not been presented to the bank.

(d) If necessary to assure the availability of the funds blocked, the Secretary may at any time require the payment of the amounts due under any letter of credit described in paragraph (a) of this section into a blocked account in a domestic bank or the supplying of any form of security deemed necessary.

(e) Nothing in this section precludes any person for whose account a standby letter of credit was opened or any other person from at any time contesting the legality of the demand from the Iranian

entity or from raising any other legal defense to payment under the standby letter of credit.

(f) This section does not affect the obligation of the various parties of the instruments covered by this section if the instruments and payment thereunder are subsequently unblocked.

(g) For the purposes of this section, the term "standby letter of credit" shall mean a letter of credit securing performance of, or repayment of, any advance payments of deposits, under a contract with Iran or an Iranian entity, or any similar obligation in the nature of a performance bond.

(h) The regulations do not authorize any person subject to the jurisdiction of the United States to reimburse a non-U.S. bank for payment to Iran or an Iranian entity under a standby letter of credit, except by payment into a blocked account in accordance with § 535.508 or paragraph (b) or (c) of this section.

(i) A person receiving a specific license under paragraph (b) or (c) of this section shall certify to the Office of Foreign Assets Control within five business days after receipt of that license that it has established the blocked account on its books as provided for in those paragraphs. However, in appropriate cases, this time may be extended upon application to the Office of Foreign Assets Control when the account party has filed a petition with an appropriate court seeking a judicial order barring payment by the issuing or confirming bank.

(j) The extension or renewal of a standby letter of credit is authorized.

Dennis M. O'Connell,

Director, Office of Foreign Assets Control.

Approved:

John M. Walker, Jr.,

Assistant Secretary, (Enforcement and Operations)

(FR Doc. 82-7808 Filed 3-19-82, 1:08 pm)

BILLING CODE 4810-25-M

## DEPARTMENT OF THE TREASURY

## Office of Foreign Assets Control

## 31 CFR Part 535

**Iranian Assets Control Regulations: Registration of Bank Claims Against the Escrow Account at the Bank of England; Preclusion of Unregistered Claims**

**AGENCY:** Office of Foreign Assets Control, Treasury.

**ACTION:** Final rule.

**SUMMARY:** The Office of Foreign Assets Control is amending the Iranian Assets Control Regulations. The purpose of this amendment is to require U.S. banking institutions to register in writing with the Office of Foreign Assets Control, on or before December 16, 1981, if they have, and intend to assert, claims against the account established by the deposit of \$1.418 billion in escrow at the Bank of England pursuant to Paragraph 2(B) of the January 19, 1981, Undertakings of the Government of the United States of America and the Government of the Islamic Republic of Iran with Respect to the Declaration of the Government of the Democratic and Popular Republic of Algeria ("the Undertakings"). Banking institutions which do not register pursuant to this section are precluded from asserting any claim against the Escrow Account described above.

**EFFECTIVE DATE:** December 4, 1981.

**FOR FURTHER INFORMATION CONTACT:** Loren Dohm, Chief, Census Unit, Office of Foreign Assets Control, Department of the Treasury, Washington, D.C. 20220, Tel. (202) 376-0968.

**SUPPLEMENTARY INFORMATION:** The Government of the Islamic Republic of Iran has requested that the Government of the United States provide it with the names of U.S. banking institutions that intend to assert claims against the account established by the deposit of \$1.418 billion in escrow ("the Escrow Account," also known as "Dollar Account No. 2") at the Bank of England pursuant to Paragraph 2(B) of the

Undertakings. The United States has agreed to this request.

Paragraph 2(B) of the Undertakings provides that funds retained in the Escrow Account will be used "for the purpose of paying the unpaid principal or the interest owing, if any; on the loans and credits referred to in Paragraph (A) [syndicated loans] after application of the \$3.667 billion and on all other indebtedness held by United States banking institutions of, or guaranteed by, the Government of Iran, its agencies, instrumentalities or controlled entities not previously paid and for the purpose of paying disputed amounts of deposits, assets, and interests, if any, owing on Iranian deposits in U.S. banking institutions."

In complying with this registration requirement, a banking institution is asked to submit only the name of the institution, its address, and the name, title, and telephone number of an appropriate contact person. There is no requirement that additional details as to the amount or basis of the claim be provided.

Since the Regulations involve a foreign affairs function, the provisions of the Administrative Procedure Act, 5 U.S.C. Section 553, requiring notice of proposed rulemaking, opportunity for public participation and delay in effective date, are inapplicable.

Similarly, because the Regulations are issued with respect to a foreign affairs function of the United States, they are not subject to Executive Order 12291 of February 17, 1981, dealing with federal regulations.

This registration requirement is not subject to the Paperwork Reduction Act of 1980, 44 U.S.C. section 3501 *et seq.*

**PART 535—IRANIAN ASSETS CONTROL REGULATIONS**

31 CFR Part 535 is amended by adding § 535.621 to read as follows:

§ 535.621 **Registration of bank claims against the escrow account at the Bank of England**

(a) *Registration requirements.* Any U.S. banking institution that has, and intends to assert, a claim against the

account established by the deposit of \$1.418 billion in escrow ("the Escrow Account," also known as "Dollar Account No. 2") at the Bank of England pursuant to Paragraph 2(B) of the Undertakings of the Government of the United States of America and the Government of the Islamic Republic of Iran with Respect to the Declaration of the Government of the Democratic and Popular Republic of Algeria, is required to register with the Office of Foreign Assets Control, in writing, on or before December 16, 1981.

(b) *Contents of registration notice.* The required registration shall refer to this section of the Regulations and contain the following:

(1) Name and address of the banking institution; and

(2) Name, title, and telephone number of person who may be contacted about this registration.

(c) *Filing.* One copy of this registration notice, which shall be in the form of a letter or a telex (Telex No. 710-822-9201), should be sent to Unit 621, Office of Foreign Assets Control, Department of the Treasury, Washington, D.C. 20220. Telexed notices should also include the telephone number (376-0968) of the Census Unit. A copy of the notice should be retained for the submitter's records.

(d) *Failure to register.* Any banking institution which does not submit a registration notice pursuant to this section shall be precluded from asserting any claim against the Escrow Account.

(Sec. 201-207, 91 Stat. 1628, 50 U.S.C. 1701-1706; E.O. No. 12170, 44 FR 65729; E.O. No. 12205, 45 FR 24099; E.O. No. 12211, 45 FR 28605; E.O. No. 12276, 46 FR 7913; E.O. No. 12279, 46 FR 7919; E.O. No. 12280, 46 FR 7921; E.O. No. 12281, 46 FR 7923; E.O. No. 12282, 46 FR 7925; and E.O. No. 12294, 46 FR 14111)

Dated: December 4, 1981.

Dennis M. O'Connell,  
Director.

Approved:  
John M. Walker, Jr.,  
Assistant Secretary.

(FR Doc. 81-36157 Filed 12-4-81; 12:06 pm)  
BILLING CODE 4810-25-M

# Declaration of National Emergency With Respect to Iran

*Message to the Congress Reporting on Recent  
Developments and Transmitting Treasury  
Department Regulations.  
September 22, 1981*

*To the Congress of the United States:*

Pursuant to Section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. Section 1703 (c), I hereby report to the Congress with respect to developments since my report of February 24, 1981, concerning the declaration of national emergency with respect to Iran in Executive Order No. 12170 of November 14, 1979. This declaration and previous actions under it were described in earlier reports submitted to the Congress.

1. Pursuant to my decision, reflected in Executive Order No. 12294 of February 24, 1981, that the January 19, 1981 agreements with Iran should be implemented, the Department of the Treasury, acting under my delegation of authority to the Secretary of Treasury, issued a series of regulations to implement Executive Orders Nos. 12276-12285, signed by President Carter on January 19, 1981, and my Order of February 24. Among other things, these regulations revoked certain trade and financial sanctions against Iran, provided for the transfer of blocked Iranian assets to Iran and to a security account for U.S. claimants against Iran, and suspended certain claims of U.S. nationals against Iran pending review by the Iran-U.S. Claims Tribunal. With the exception of regulations issued July 6 and August 17, which are attached herewith, regulations issued since February-24, 1981 have been provided to Congress in accordance with the National Emergencies Act, 50 U.S.C. Section 1641(b).

2. On July 2, 1981 the Supreme Court in the case of *Dames & Moore v. Regan*, 49 U.S.L.W. 4969 (U.S. July 2, 1981) (No. 80-2078), upheld the President's authority to nullify attachments and other judicial orders with respect to assets of Iran, to order the transfer of those assets pursuant to the agreements with Iran, and to suspend certain claims of U.S. nationals against Iran and Iranian entities.

3. Following the Supreme Court decision and pursuant to certain of the Executive Orders mentioned above, financial assets exceeding two billion dollars held by persons within the United States were transferred to the Federal Reserve Bank of New York in mid-July. The agreements provided that a total of one billion dollars of the assets formerly held by domestic banks was to be transferred to an interest-bearing security account in a foreign bank to be used for payment of Claims Tribunal awards to U.S. nationals against Iran. The remainder of the assets was to be transferred through a foreign bank to Iran.

The technical arrangements for the establishment of the security account were concluded on August 17 by the Central Bank of Algeria, Bank Markazi Iran, the Federal Reserve Bank of New York, and the N.V. Settlement Bank of the Netherlands, a subsidiary of the Netherlands Central Bank. In connection with the arrangements, the U.S. agreed to provide special liquidity support of up to \$500 million to the Netherlands Central Bank if lawsuits or other proceedings involving the security account impair the bank's ability to defend the guilders.

On August 18, the funds were transferred by the Federal Reserve Bank of New York to the Settlement Bank. Because of the delay in concluding arrangements for the security account, this transfer was delayed one month from the original transfer date of July 19 contemplated under the agreements.

4. Certain questions concerning the security account which were not resolved in our negotiations with Iran will be referred to the Claims Tribunal, which is expected to decide the issues shortly. These questions concern (1) the disposition of the interest accruing in the funds

in the security account; (2) indemnification of the Settlement Bank of the Netherlands and the Netherlands Central Bank, as manager of the funds deposited with the Settlement Bank, against any claims relating to the security account; (3) payment of the administrative fees of the Settlement Bank; and (4) payment of settlements with U.S. claimants worked out directly between the U.S. claimants and Iran.

As now constituted, the Claims Tribunal consists of three Iranian, three U.S., and three neutral arbitrators (two from Sweden and one from France). The Tribunal has held preliminary organizational meetings and is expected to receive claims during the three-month period beginning October 20.

5. Other financial questions remain unresolved. U.S. banks and Bank Markazi Iran are continuing to negotiate concerning the repayment of non-syndicated loans and disputed interest from the \$1.418 billion escrow account which is held by the Bank of England. To date, no payments have been made out of this account.

6. Pursuant to the January 19 agreements, the transfer of certain nonfinancial Iranian property, such as tangible merchandise, is to be made in accordance with directions from Iran. In many cases, there are questions concerning the exact nature of Iran's interest in these properties. Under my delegation of authority, the Treasury Department is reviewing those cases brought to its attention in which the entitlement of Iran is challenged or in which Iran has not paid claims or charges against the properties. In exercise of its discretion, Treasury has the power to license various transfers involving these properties.

7. Although the hostages have been released and certain assets returned to Iran, several financial and diplomatic aspects of the crisis with Iran have not yet been resolved and continue to present an unusual and extraordinary threat to the national security and foreign policy of the United States. I shall continue to exercise the powers at my disposal to deal appropriately with these problems and will continue to report periodically to Congress on significant developments.

RONALD REAGAN

The White House,  
September 22, 1981.



MEMORANDUM

THE WHITE HOUSE

WASHINGTON

March 26, 1982

FOR: FRED F. FIELDING

FROM: PETER J. RUSTHOVEN *PJR*

SUBJECT: Periodic Report to the Congress about  
National Emergency with Respect to Iran

For your information, I have now been advised by Mary Bush, Tim McNamar's assistant at Treasury, that the above-referenced report should be submitted by Treasury to the White House on Monday, March 29, 1982.

I will call Sara Emery Monday morning to advise her to be on the look-out for the report, and remind her of the need for expedited staffing and review, since the report is overdue.