TREASURY DEPARTMENT LIBRARY

LIBRARY
ROOM 5030
MAY 06 1996
TREASURY DEPARTMENT

Treas.
HJ
10
.A13P4
v.349

U.S. Department of the Treasury

PRESS RELEASES

DEPARTMENT OF THE TREASURY

TREASURY NEWS

OFFICE OF PUBLIC AFFAIRS • 1500 PENNSYLVANIA AVENUE, N.W. • WASHINGTON, D.C. • 20220 • (202) 622-2960

FOR IMMEDIATE RELEASE
June 13, 1995

STATEMENT OF TREASURY SECRETARY ROBERT E. RUBIN

I am pleased that President Clinton has acted upon my recommendation and announced his intention to nominate Lawrence Summers to become Deputy Secretary of the Treasury.

U.S. international economic policy has been of critical importance to this Administration, and Larry Summers has provided essential leadership in this area. I have known Larry for many years. His expertise in domestic economic affairs, as well as in the international arena, is recognized throughout government and the worlds of economics and finance. He will continue the strong leadership provided by Frank Newman, who has decided to return to the private sector.

As Under Secretary of the Treasury for International Affairs from the beginning of this Administration, Larry has had broad responsibility assisting former Treasury Secretary Lloyd Bentsen and me on issues such as G-7 policy coordination, trade and foreign investment policy, exchange-rate policy, Russia and Mexico and U.S. participation in the international financial institutions. He has made a major contribution in formulating and setting forth this Administration's policies in all of these areas.

Summers served on the MIT faculty from 1979 to 1982 He became a full professor of economics at Harvard at age 28 in 1983, and was Nathaniel Ropes professor of Political Economy at Harvard from 1987 to 1993. He served from 1991-1993 as Vice President of Development Economics and Chief Economist of the World Bank. In 1993, he was awarded the John Bates Clark Medal given every two years to the outstanding American economist under the age of 40.

I encourage the Senate to act quickly on his nomination.

-30-

RR-369

DEPARTMENT OF THE TREASURY

TREASURY NEWS

OFFICE OF PUBLIC AFFAIRS • 1500 PENNSYLVANIA AVENUE, N.W. • WASHINGTON, D.C. • 20220 • (202) 622-2960

ADV 1 P.M. EDT
Text as prepared for delivery
June 13, 1995

REMARKS OF TREASURY SECRETARY ROBERT E. RUBIN
WHITE HOUSE CONFERENCE ON SMALL BUSINESS

I spent 26 years in the private sector. I ran a business, and while it was not small, in many respects we had experiences in common.

I believe in free markets, and I believe that markets operate best with the least government involvement possible. However, I also believe that government has an essential role. From a purely economic perspective, there are critical needs that markets, by their nature, will not meet. The job of government, as I see it from the economic perspective, is to provide the tools -- education, training and the like -- that enable individuals to succeed, to create the domestic and international conditions and regulations the private sector needs to thrive, and to ensure the existence of a social safety net.

The economic forces that I saw in private life are the same ones that affect the fortunes of small businesses -- taxes, interest rates, health care costs, the availability of capital, regulation, infrastructure, and finding enough well-educated, well-trained, productive employees to make your business function more efficiently.

I'd like to discuss some of the specifics of programs now under way that benefit small businesses, along the lines of the increased limit for capital investment expensing that was enacted in 1993, and the 1993 targeted capital gains tax reduction for smaller businesses. First, however, I want to discuss the broader economic issues -- such as the debate over the federal budget and deficit reduction -- because they are just as critical to your success as specific, tailored programs.

To start, the budget debate is not that much different than the issues you deal with when you're planning out the next year or five years. What can we get rid of? What can we not afford to lose? Where do we need to invest more to become more productive?

RR-370 (MORE)

There are two choices with respect to the federal budget. I believe we should chose a process that puts the budget on a path to being balanced based on policy tradeoffs that best meet our economic objectives; the alternative is setting an arbitrary deadline for balance and cutting programs to meet that deadline. I don't believe any of you would do that in your business.

So far, we have already cut the deficit in half since this administration took office. -- more than $500 billion in deficit reduction. And we have wrung the deficit premium out of interest rates, which helps everyone. Going forward, the President is forcefully committed to continued deficit reduction to reach balance, while at the same time making the public investments absolutely critical for the nation's economic future -- investments in education and training, in apprenticeship programs, child nutrition and the like. Some may consider these purely social programs. I, and much more importantly, the President, look at them through the prism of business, as common sense, hard-headed long-term investments this nation must make for you to have the work force you need and for the economy to be successful.

For the past two and one-half years the President has said that the key to achieving a balanced budget is controlling federal health care expenditures, because that is the only part of the budget growing faster than the rate of inflation. But that must be accomplished through sensible reforms in the context of a careful, step-by-step process of health care reform, and employer mandates clearly are not on the table. There should not be the draconian and arbitrary cuts in Medicare and Medicaid that some budget plans on capitol hill are forced to make to meet an arbitrary balance date. That will result in severe beneficiary impacts and cost shifting and other distortions. So, once again, the difference is between building a budget that goes to balance based on sound policy choices, rather than building a budget based on arbitrary dates, regardless of the policy effects.

Education is the best example of how we must prepare this nation to be competitive in the years and decades ahead.

I was in Indonesia about two months ago at a meeting of finance ministers from the Asia and Pacific region. Most of those nations were impoverished 15 or 20 years ago and today have economies that are vastly improved and growing rapidly. It is an amazing success story. And having spoken to these ministers, I can tell you that they view a long-term, sustained investment in education as indispensable, and so should we.

With an information revolution changing the work place and placing greater demands on the work force, it cannot possibly make economic sense to balance the budget by cutting student loans, apprenticeship programs, worker training, school nutrition programs, and incentives for education and education reform.

We must reduce the deficit and go to balance, but with policy choices that best increase economic growth, jobs and standards of living over the long run, not choices that simply satisfy an arbitrary date.

We have another major debate under way in the economic sphere I want to mention just briefly. The issue of global engagement and leadership at first blush might not seem like something that would automatically be on the radar screen for small business owners. But it is vitally important to you and your economic interests, and I'm pleased to see there's a trade section in your issues handbook.

I'm leaving for the G-7 summit in Halifax in two days. There, we'll be discussing issues critically important to your economic future: how to deal as a global community with problems that arise in the vast and rapidly moving global financial markets, how to promote reform and growth in developing countries, how to encourage trade, how to bring along the economies of former communist countries like Russia and Ukraine.

It's that second point I want to spend a moment on -- developing countries. Developing nations have five-sixths the world's population and 53 percent of global output. Forty percent of the exports of the United States go to developing countries, and that translates to 4 million American jobs. Some $62 billion in exports last year went to countries which were in the midst of or had completed economic reform programs with World Bank support. Growth in developing nations will drive the global economy in the coming years. It is in our self-interest -- your self interest -- to see to it that these nations grow and prosper, and so provide bigger markets for us, increase jobs and standards of living in our country.

The international financial institutions -- the World Bank, the development banks and the International Monetary Fund -- are absolutely critical to encouraging reform and growth in the developing world. But there is a new isolationism in the country which must be countered because it is against your economic interests and against the country's economic interests. There is talk of severely reducing or even eliminating our financial support for these institutions. Our overall spending for international programs is less than 1 percent of the federal budget, but the return is enormous. Refusing to meet our commitments can harm American living standards, reduce our export opportunities, cost American jobs and undermine our national security interests. Such reductions are extremely short-sighted; they are strongly against your interests.

The legislation dealing with our international commitments is at the center of the debate about reaching out to the world and embracing the global economy, leading and taking advantage of its opportunities, or turning inward and retreating to isolationism.

I've spoken so far in the broad sense about designing an economic domestic and international economic climate conducive to growth and job creation. I want to spend the remainder of my time this afternoon discussing some things we have done and are doing specifically to enable small business to prosper.

The President is absolutely right when he says the tax code is complicated and could stand simplification. Obviously, that's an issue that will be the focus of debate in the coming years, and the Treasury Department will be front and center. I would like to discuss what we are doing now in the short term, how we are using technology to make your lives simpler, how we're working to make it easier to deal with taxes and do it for less money. Having said that, we recognize that much more needs to be done, and we are committed to this effort.

Under a regulatory review the President requested in March, 1,240 pages of tax regulations have been or will be eliminated or reformed for simplicity. Last Friday, as part of our latest reinvention program, we announced the Simplified Tax and Wage Reporting System that will eliminate the need to file W-2 data in multiple places. The program also will enable an employer to file a single return electronically. Once this program is fully in place, it should save employers nearly $1 billion in tax and wage reporting costs.

We are making it easier for many of your employees -- the ones who use the 1040-EZ form, to file, by making it possible for them to send in their information on a touch-tone telephone. Simplified tax forms have eliminated 46 million hours of paperwork for 134 million taxpayers. For self-employed Americans, the 25 percent deductibility of health insurance premiums has been extended. I already mentioned the targeted capital gains reduction for small businesses when stock is held more than 5 years, and the increase to $17,500 in the capital investment deduction each year, permits you to more rapidly deduct items that increase your productivity -- office machinery, computers, copiers and the like.

In addition, we intend to reduce your paperwork and legal costs by proposing that you be allowed to elect to be treated as a tax partnership by simply checking a box on your tax return, regardless of what entity you chose to create under state law. That will replace a complicated set of criteria that had to be met in order to qualify for treatment as a partnership. Since we announced this proposal we have had very favorable comments from the business community because it means less paperwork, lower legal bills, and not having to get a ruling from the IRS -- just a check-mark in the box.

We are acting on a number of other fronts, as well. You'll recall that at the very outset of the administration there was a concerted effort to take a great deal of the red tape out of lending regulations to ease the credit crunch. We also streamlined the Community Reinvestment Act to make it easier for small banks to comply.

With our government reinvention effort, we're making Treasury more efficient, and making it easier for you to do business with Treasury. We have put in place important procurement reforms -- such as decentralizing much of our annual purchasing down to the office level -- and we have made it far easier for small businesses to do business with us by using electronic commerce. Several times a year now we hold events to award or take bids on millions of dollars of contracts on the spot and sign up small businesses for a database of suppliers we can quickly tap. Some 42 percent of our prime procurement dollars are spent with small businesses -- over half a billion dollars.

The reinvention process at Treasury has allowed us to reduce the size of our work force by nearly 4,700 positions. At the same time, last year we eliminated 22 percent of the regulations on the books. Let me give you an example of what that means. The Bureau of Alcohol, Tobacco and Firearms -- which not everyone realizes is part of Treasury -- has reduced its reporting requirements for small brewers by over 70 percent, and for small wine producers by over 60 percent. I mentioned the tax regulations that are being changed or eliminated. The regulation review the President asked for means that 57 percent of our non-tax regulations have been or will be eliminated or reformed. So you're getting a smaller government, with fewer regulations.

As the Vice President noted at the Treasury Department last week, the Customs Service, which is one of Treasury's bureaus, set up a program in Seattle that got rid of the problem of shippers having to line up at a variety of government offices to clear cargo in the country. Now, the ships heading for Seattle transmit their data before reaching port, the agencies share the information, and shipments are clearing in minutes, not days.

And just yesterday, as you're aware, the President announced a pension simplification plan -- the National Employee Savings Trust, or NEST program -- which will save you money in administrative costs, make pensions simple, and allow you to provide yourselves and your employees tax-deferred retirement savings.

We realize there is much more to do, and we will focus with great intensity on a number of ideas. But clearly, we have substantially reduced the size of government and the burden it places on our private sector. And I believe that with your help, the administration, working with Congress can continue this process.

I want to close with this observation: You are the single largest force in our economy. You and the millions of other small business owners and self-employed Americans are responsible for well over half the jobs in this country. You are responsible for more than half the over 6 million jobs that have been created during the last two years.

You are creating jobs and growing our economy. That's your job. Our job is to create the conditions that allow you to continue doing yours -- by reducing the deficit, eliminating unnecessary and burdensome regulations and making government easier to deal with, by making the public investments that produce a well-educated and trained, productive work force, and by engaging and leading in dealing with the challenges of the global economy to create opportunities for you to increase jobs and standards of living, and to protect our national security.

If you keep doing your job -- and we keep doing ours -- America will meet the challenges of the global economy, lead and prosper.

Thank you.

-30-

DEPARTMENT OF THE TREASURY

TREASURY NEWS

OFFICE OF PUBLIC AFFAIRS • 1500 PENNSYLVANIA AVENUE, N.W. • WASHINGTON, D.C. • 20220 • (202) 622-2960

ADV 11:35 A.M. EDT
Remarks as prepared for delivery
June 13, 1995

REMARKS OF TREASURY SECRETARY ROBERT E. RUBIN
WHITE HOUSE G-7 BRIEFING

Halifax provides the opportunity to discuss the global economic challenges that are absolutely critical to our economic future -- critical to creating jobs and improving standards of living in this country. It is part of this administration's broader effort to create the conditions that allow us to tap the potential available to us from global growth. It is an ongoing process -- there was NAFTA and GATT and the WTO, our G-7 involvement, our discussions with Latin and South American leaders about trade and development, and similar discussions with the leaders of Asia and the Pacific.

I want to briefly review the challenges we face and the issues we will discuss:

First, dealing preventatively, not curatively, with the problems that can arise in the vast and rapidly moving financial markets; second, integrating the developing and transitioning world into a global economy in a manner that promotes reforms and growth; and third, continuing trade liberalization.

I believe that in Halifax we will reach broad agreement on the principle of more timely disclosure of national financial information. That is a primary lesson of the problems that transpired in Mexico earlier this year. In conjunction with seeking greater transparency, there will be a request to the IMF to develop an enhanced capacity for economic surveillance.

In addition, I believe there will be general agreement on the requirement to rapidly mobilize larger amounts of multilateral conditional financial assistance than is now available, and from a broader array of countries. The United States clearly cannot be the lender of last resort.

RR-371 (MORE)

There will be discussion of a continuing exploration of methods for an orderly working out of international debt crises, and broadening the class of creditors at the table.

There also will be discussion of greater cooperation among financial regulators in supervising financial institutions and financial instruments with respect to problems that can arise from the markets.

There will be discussion of World Bank reforms, to continue the emphasis on women's education, the environment, health, supporting the private sector, and continued internal reforms and transparency.

Just one final note: With the president's leadership, we are going into this G-7 meeting with a strong two and one-half year economic record, despite the current softening. Inflation is relatively low, the deficits our G-7 partners chided us over for so many years are coming down. Our deficit-to-GDP ratio is the lowest in the G-7, and we've had a good growth and job creation. I believe it is important that other nations consider steps that would sustain their expansions. Meanwhile, we are continuing to work on our budget deficits and the other factors critical to a healthy economy over the long run, as the President will discuss in his budget address this evening, and the president has forcefully committed to deficit reduction with the aim of reaching balance in about 10 years.

- Questions?

-30-

DEPARTMENT OF THE TREASURY

TREASURY NEWS

OFFICE OF PUBLIC AFFAIRS • 1500 PENNSYLVANIA AVENUE, N.W. • WASHINGTON, D.C. • 20220 • (202) 622-2960

FOR RELEASE AT 2:30 P.M.
June 13, 1995

CONTACT: Office of Financing
202/219-3350

TREASURY'S WEEKLY BILL OFFERING

The Treasury will auction two series of Treasury bills totaling approximately $28,400 million, to be issued June 22, 1995. This offering will result in a paydown for the Treasury of about $14,450 million, as maturing bills total $42,856 million (including the 38-day cash management bills issued May 15, 1995, in the amount of $17,136 million).

Federal Reserve Banks hold $6,799 million of the maturing bills for their own accounts, which may be refunded within the offering amount at the weighted average discount rate of accepted competitive tenders.

Federal Reserve Banks hold $5,355 million as agents for foreign and international monetary authorities, which may be refunded within the offering amount at the weighted average discount rate of accepted competitive tenders. Additional amounts may be issued for such accounts if the aggregate amount of new bids exceeds the aggregate amount of maturing bills.

Tenders for the bills will be received at Federal Reserve Banks and Branches and at the Bureau of the Public Debt, Washington, D. C. This offering of Treasury securities is governed by the terms and conditions set forth in the Uniform Offering Circular (31 CFR Part 356) for the sale and issue by the Treasury to the public of marketable Treasury bills, notes, and bonds.

Details about each of the new securities are given in the attached offering highlights.

oOo

Attachment

RR-372

HIGHLIGHTS OF TREASURY OFFERINGS OF WEEKLY BILLS
TO BE ISSUED JUNE 22, 1995

June 13, 1995

Offering Amount	$14,200 million	$14,200 million
Description of Offering:		
Term and type of security	91-day bill	182-day bill
CUSIP number	912794 T3 8	912794 W2 6
Auction date	June 19, 1995	June 19, 1995
Issue date	June 22, 1995	June 22, 1995
Maturity date	September 21, 1995	December 21, 1995
Original issue date	September 22, 1994	June 22, 1995
Currently outstanding	$29,426 million	- - -
Minimum bid amount	$10,000	$10,000
Multiples	$ 1,000	$ 1,000

The following rules apply to all securities mentioned above:

Submission of Bids:

Noncompetitive bids . . . . Accepted in full up to $1,000,000 at the average discount rate of accepted competitive bids

Competitive bids . . . .
(1) Must be expressed as a discount rate with two decimals, e.g., 7.10%.
(2) Net long position for each bidder must be reported when the sum of the total bid amount, at all discount rates, and the net long position is $2 billion or greater.
(3) Net long position must be determined as of one half-hour prior to the closing time for receipt of competitive tenders.

Maximum Recognized Bid at a Single Yield . . . . 35% of public offering

Maximum Award . . . . 35% of public offering

Receipt of Tenders:

Noncompetitive tenders . . . . . . Prior to 12:00 noon Eastern Daylight Saving time on auction day

Competitive tenders . . . . Prior to 1:00 p.m. Eastern Daylight Saving time on auction day

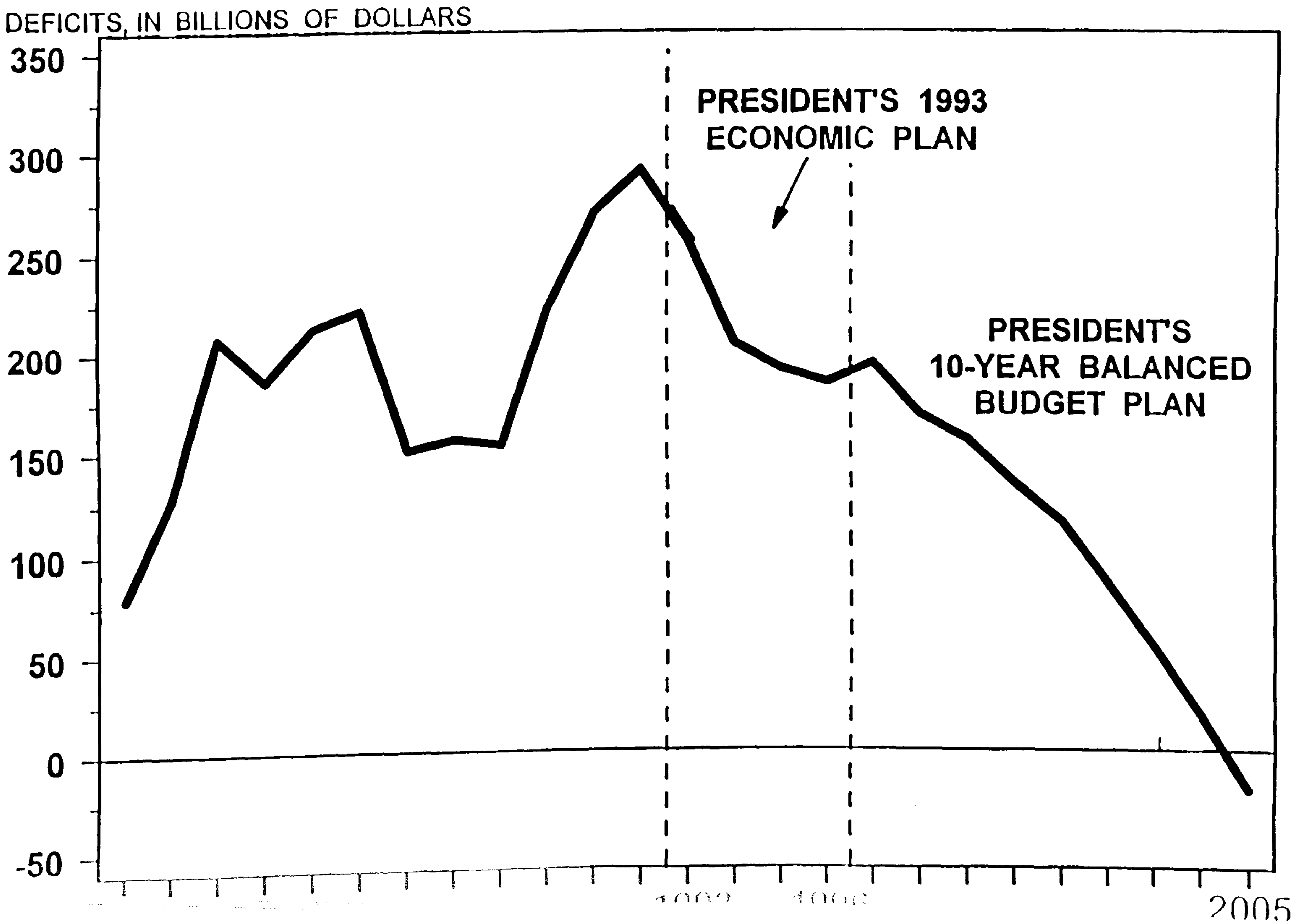
Payment Terms . . . . Full payment with tender or by charge to a funds account at a Federal Reserve Bank on issue date

LIBRARY ROOM 5310
JUN 2 0 2 9 0 7

THE PRESIDENT'S ECONOMIC PLAN:

A BALANCED BUDGET THAT PUTS PEOPLE FIRST

BALANCING THE BUDGET: THE PRESIDENT'S ECONOMIC PLAN



THE PRESIDENT'S ECONOMIC PLAN:

REACHING BALANCE IN 2005

• In 1993, the President faced a deficit that was rising out of control -- from $290 billion in 1992 to more than $600 billion early in the next century.

• The President's 1993 economic plan has cut the deficit dramatically -- from $290 billion to a projected $190 billion this year.

• More importantly, it cut the deficit as a percentage of the economy (GDP) -- from 4.9 percent to 1992 to an estimated 2.7 percent this year and 2.1 percent by the end of the decade.

• If not for interest on the debt accumulated between 1981 and 1993, the budget would be in balance today.

• But, largely due to health care costs, the deficit will begin to rise again -- gradually reaching $266 billion in 2005.

• Now, the President proposes to finish the job -- to balance the budget by 2005.

• In 2005, the President proposes to save:

-- $96 billion in entitlements:

Medicare, $67 billion
Medicaid, $19 billion
Poverty programs, $9 billion
Other entitlements, $1 billion

-- $92 billion in discretionary spending:

Defense, $27 billion
Non-defense, $65 billion

-- $6 billion in corporate subsidies.

-- $117 billion in interest savings.

• The President would target tax relief to average Americans, costing $26 billion in 2005.

• All told, the President's plan would bring the budget at least to balance by 2005.

THE PRESIDENT'S HEALTH REFORM INITIATIVE:
A SERIOUS STEP TOWARD HEALTH CARE REFORM

As the President has said, the key to long-term deficit reduction is controlling health care costs through health care reform. Thus, in his plan to balance the budget by 2005, the President presents a serious first step toward reform that:

- strengthens the Medicare Hospital Insurance (HI) Trust Fund, ensuring Medicare solvency until 2005;

- provides health security for 6 months for working families after a job loss;

- reforms Medicare to make quality managed care options more attractive while preserving choice;

- improves Medicare with new benefits that (1) provide Alzheimer's respite care, and (2) waive the copayment for women who need mammograms;

- provides home- and community-based care grants for disabled and elderly Americans;

- maintains Medicaid as a safety net for low-income Americans while reforming it to target funds more efficiently and increase state flexibility;

- reforms the insurance market to ensure that Americans can keep their coverage if they change jobs, that they won't lose coverage if they get sick, and to improve the availability and affordability of coverage for small businesses;

- gives small businesses voluntary pooling options, including access to Federal Employees Health Benefits Program (FEHBP) plans;

- expands the self-employed tax deduction to 50 percent; and

- reduces the deficit by $271 billion over the next decade.

The President's plan expands coverage, cuts the deficit with less than half the Medicare savings and a third of the Medicaid savings that Republicans propose, and imposes no new cost increases on Medicare beneficiaries.

By contrast, the Republican budget proposals threaten Medicare beneficiaries, reduce Medicaid coverage for millions of children and elderly Americans, and endanger many hospitals, including academic health centers. The Republicans' cuts (assuming a 50/50 beneficiary/provider split) would increase out-of-pocket costs for couples by $1,700 in 2002 alone (under the House budget resolution). Moreover, the Republicans do not reinvest one penny into health care; instead, the Republicans use Medicare and Medicaid cuts to pay for hundreds of billions of dollars of tax cuts for well-off Americans.

DETAILED EXPLANATION

1. Reforming the Insurance Market

Insurance reforms, based on proposals that both Republicans and Democrats supported in the last Congress, will improve the fairness and efficiency of the insurance marketplace.

- **Portability and Renewability of Coverage** -- Insurers will be barred from denying coverage to Americans with pre-existing medical conditions, and plans will have to renew coverage regardless of health status.

- **Small Group Market Reforms** -- Insurers will be required to offer coverage to small employers and their workers, regardless of health status, and companies will be limited in their ability to vary or increase premiums on the basis of claims' history.

- **Consumer Protections** -- Insurers will be required to give consumers information on benefits and limitations of their health plans, including the identity, location, and availability of participating providers; a summary of procedures used to control utilization of services; and how well the plan meets quality standards. In addition, plans would have to provide prompt notice of claims denials and establish internal grievance and appeals procedures.

2. Helping Working Families Retain Insurance After a Job Loss

Families that lose their health insurance when they lose a job will be eligible for premium subsidies for up to 6 months. The premium subsidies will be adequate to help families purchase health insurance with benefits like the Blue Cross/Blue Shield standard option plan available to Federal employees.

3. Helping Small Businesses Afford Insurance

- **Giving Small Employers Access to Group Purchasing Options:** Small employers that lack access to a group purchasing option through voluntary state pools would get that option through access to the Federal Employees Health Benefits Program (FEHBP) plans. This would increase the purchasing power of smaller businesses and make the small group insurance market more efficient. Small firms would get coverage from plans that also provide coverage to Federal employees through FEHBP, but the coverage would be separately rated in each state, leaving premiums for Federal and state employees unaffected.

- **Expanding the Self-Employed Tax Deduction:** The President's plan provides a fairer system for self-employed Americans who have health insurance. Self-employed people would deduct 50 percent of the cost of their health insurance premiums, rather than 25 percent as under current law.

4. Reforming and Strengthening Medicare

- **Strengthening the Trust Fund:** The President's plan would reduce spending in Medicare's Part A by $79 billion over 7 years to ensure the solvency of the Medicare

HI Trust Fund to 2005. The plan finds such savings by reducing provider cost growth, not raising beneficiary costs.

• **Eliminating the CoPayment for Mammograms:** Although coverage by Medicare began in 1991, only 14 percent of eligible beneficiaries without supplemental insurance tap this potentially lifesaving benefit. One factor is the required 20 percent copayment. To remove financial barriers to women seeking preventive mammograms, the President's plan waives the Medicare copayment.

• **Expanding Managed Care Choices:** The President's plan expands the managed care options available to beneficiaries to include preferred provider organizations ("PPOs") and point-of-service ("POS") plans. The plan also implements initiatives to improve Medicare reimbursement of managed care plans, including a competitive bidding demonstration proposal. Also included in his plan are important initiatives to streamline regulation.

• **Combatting Fraud and Abuse:** "Operation Restore Trust" is a five-state demonstration project that targets fraud and abuse in home health care, nursing home, and durable medical equipment industries. The President's budget increases funding for these critical fraud and abuse activities.

5. Long-Term Care

• **Expanding Home and Community-Based Care:** The President's plan provides grants to states for home-and community-based services for disabled elderly Americans. Each state, will receive funds for home-and community-based care based on the number of severely disabled people in the state, the size of its low-income population, and the cost of services in the state.

• **Providing for a New Alzheimer's Respite Benefit within Medicare:** The President's plan helps Medicare beneficiaries who suffer from Alzheimer's disease by providing respite services for their families for one week each year.

6. Reforming Medicaid

The President maintains Medicaid, expanding state flexibility, cutting costs, and assuring Medicaid's ability to provide coverage to the vulnerable populations it now serves.

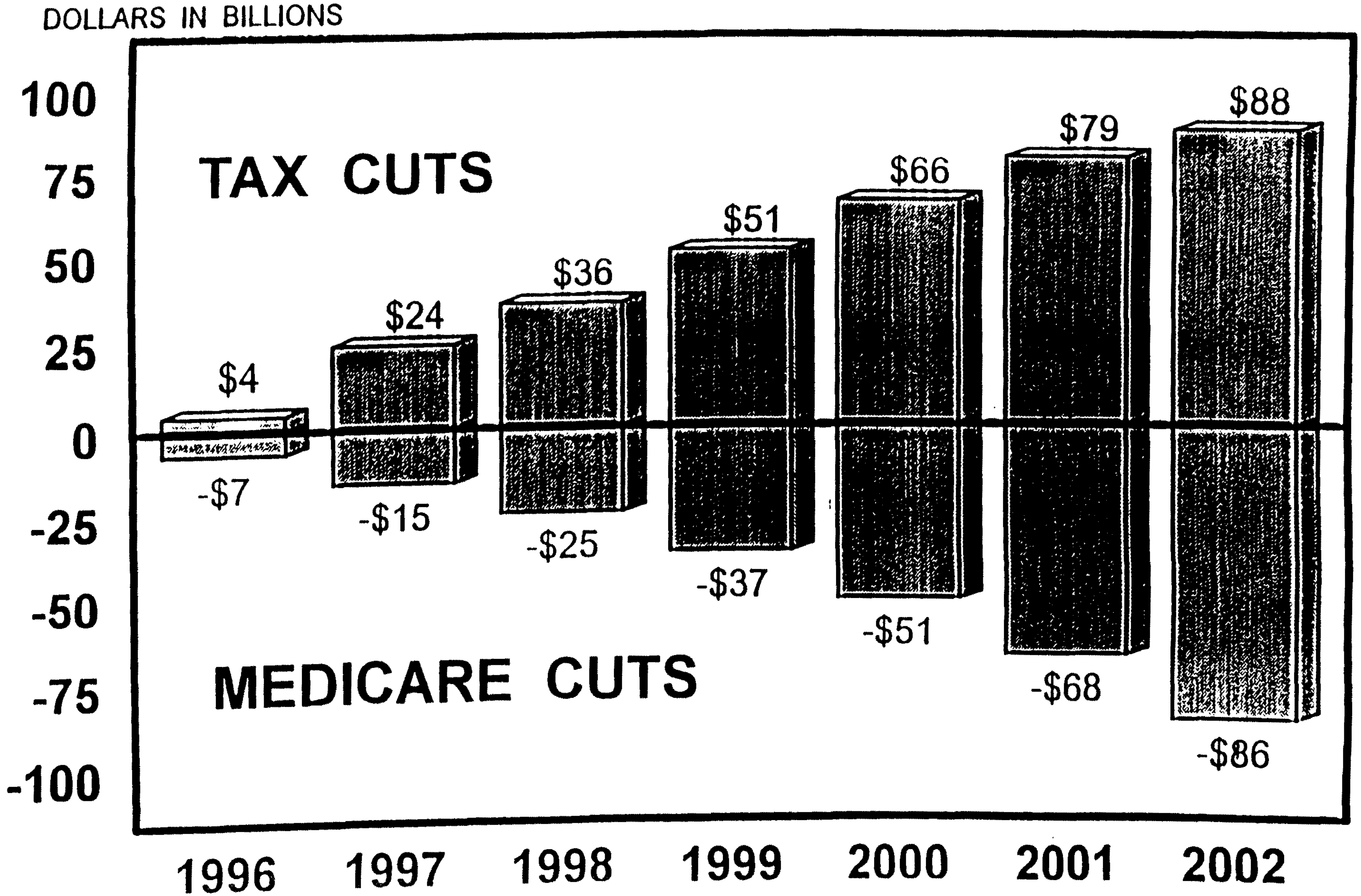
• **Eliminating Unnecessary Federal Strings on States:** To let states manage their Medicaid programs more efficiently, the President's plan substantially reduces Federal requirements.

-- States will be allowed to pursue managed care strategies and other service delivery innovations without seeking Federal waivers; and

-- The "Boren Amendment" and other Federal requirements that set minimum payments to health care providers will be repealed.

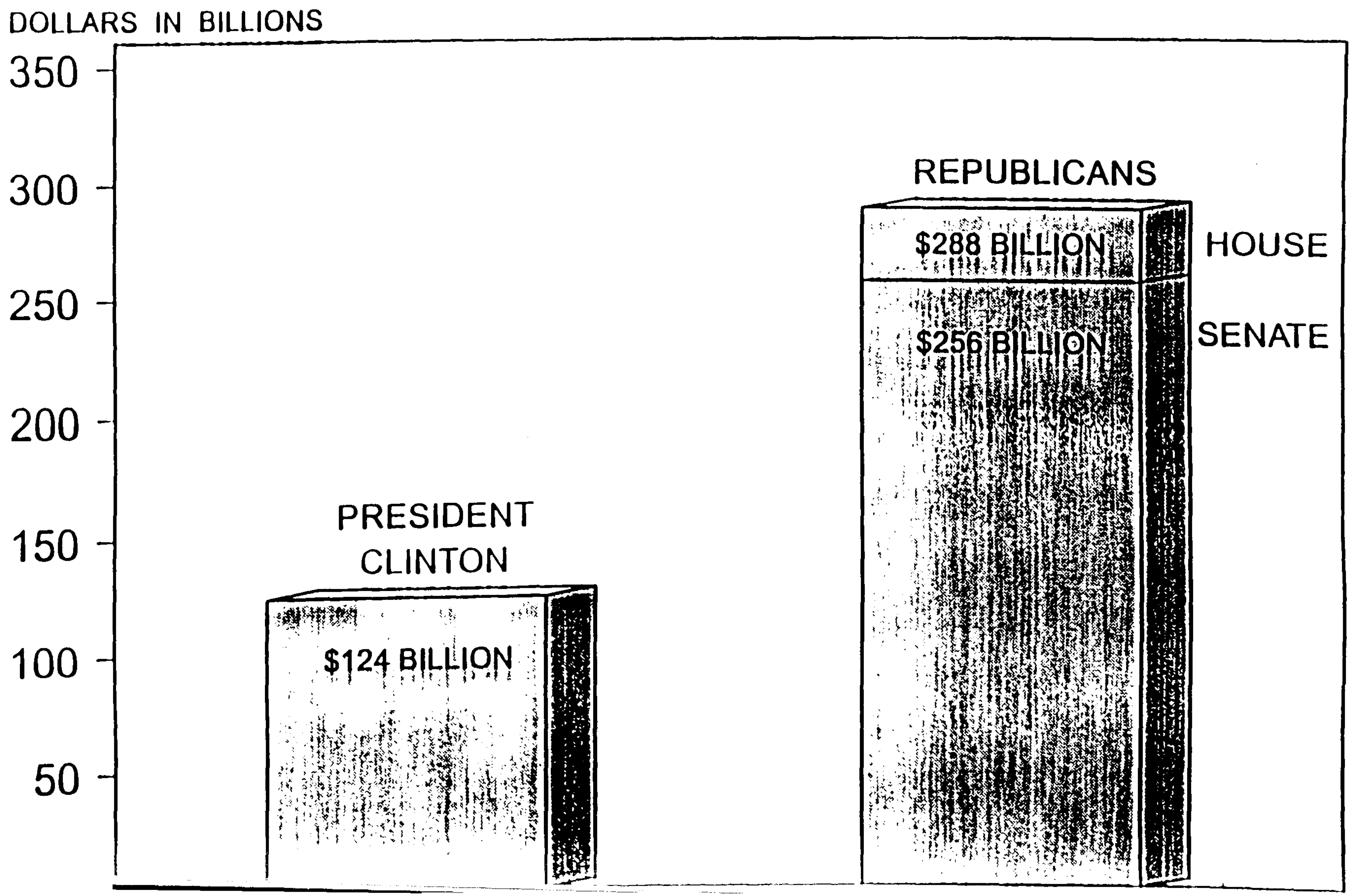
• **Reducing Medicaid Costs:** The President proposes a combination of policies to reduce the growth of federal Medicaid spending, including expanding managed care, reducing and better targeting Federal payments to states for hospitals that serve a high proportion of low-income people, and limiting the growth in federal Medicaid payments to states for each beneficiary. Per-person limits, as opposed to a block grant on total spending, promote efficiency while protecting coverage.

REPUBLICAN TAX CUTS REQUIRE DEEP MEDICARE CUTS



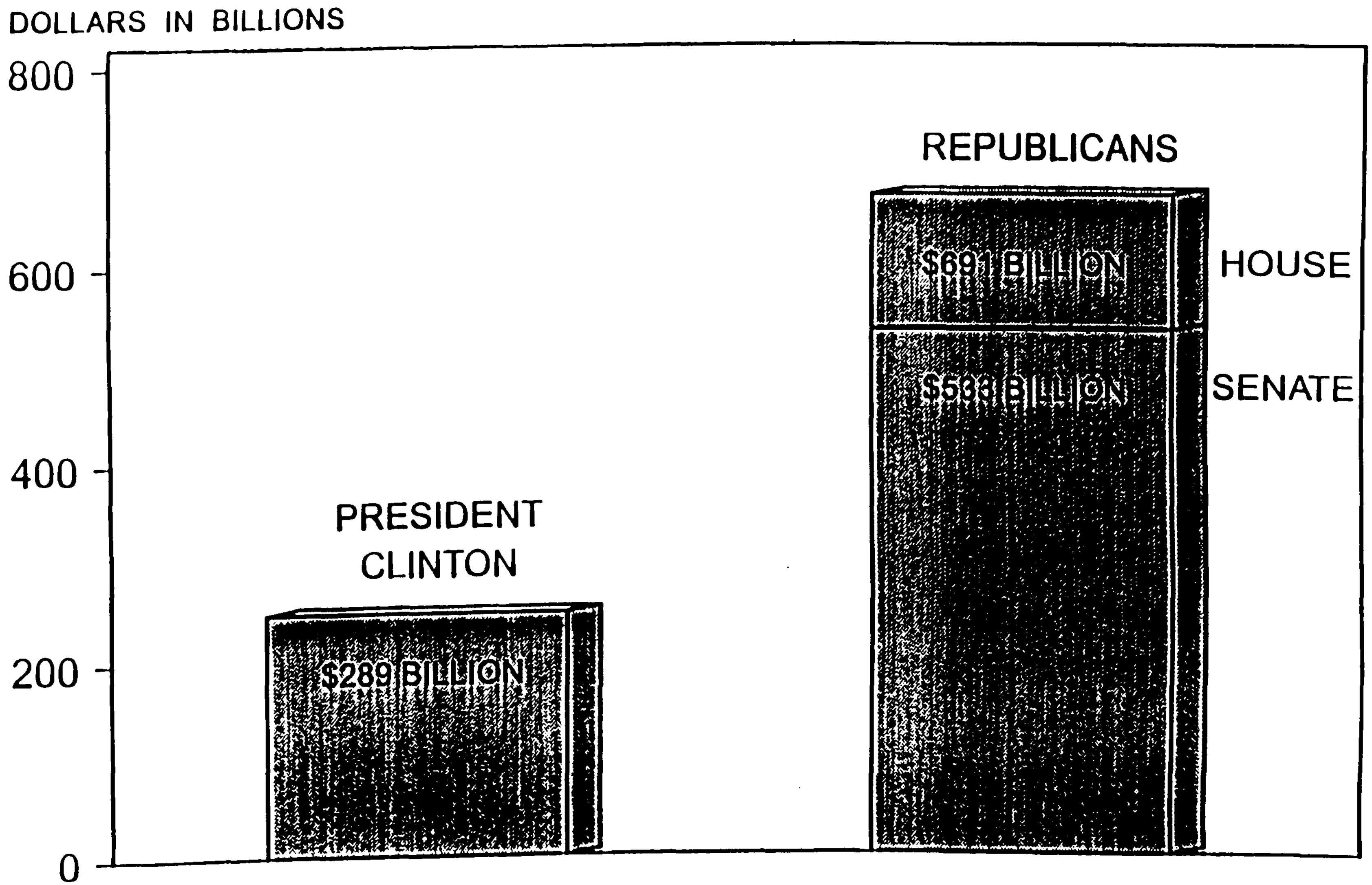
MEDICARE SAVINGS

SEVEN YEARS



MEDICARE SAVINGS

TEN YEARS



MEDICARE REFORM

IMPACT ON BENEFICIARIES IN 2002

Republican Proposals

- **$1,700 CUT PER COUPLE**

- Additional Costs
  - Higher Co-Payments
  - Higher Premiums
  - Coercive Plan
  - 2nd Class Health Care System for Seniors

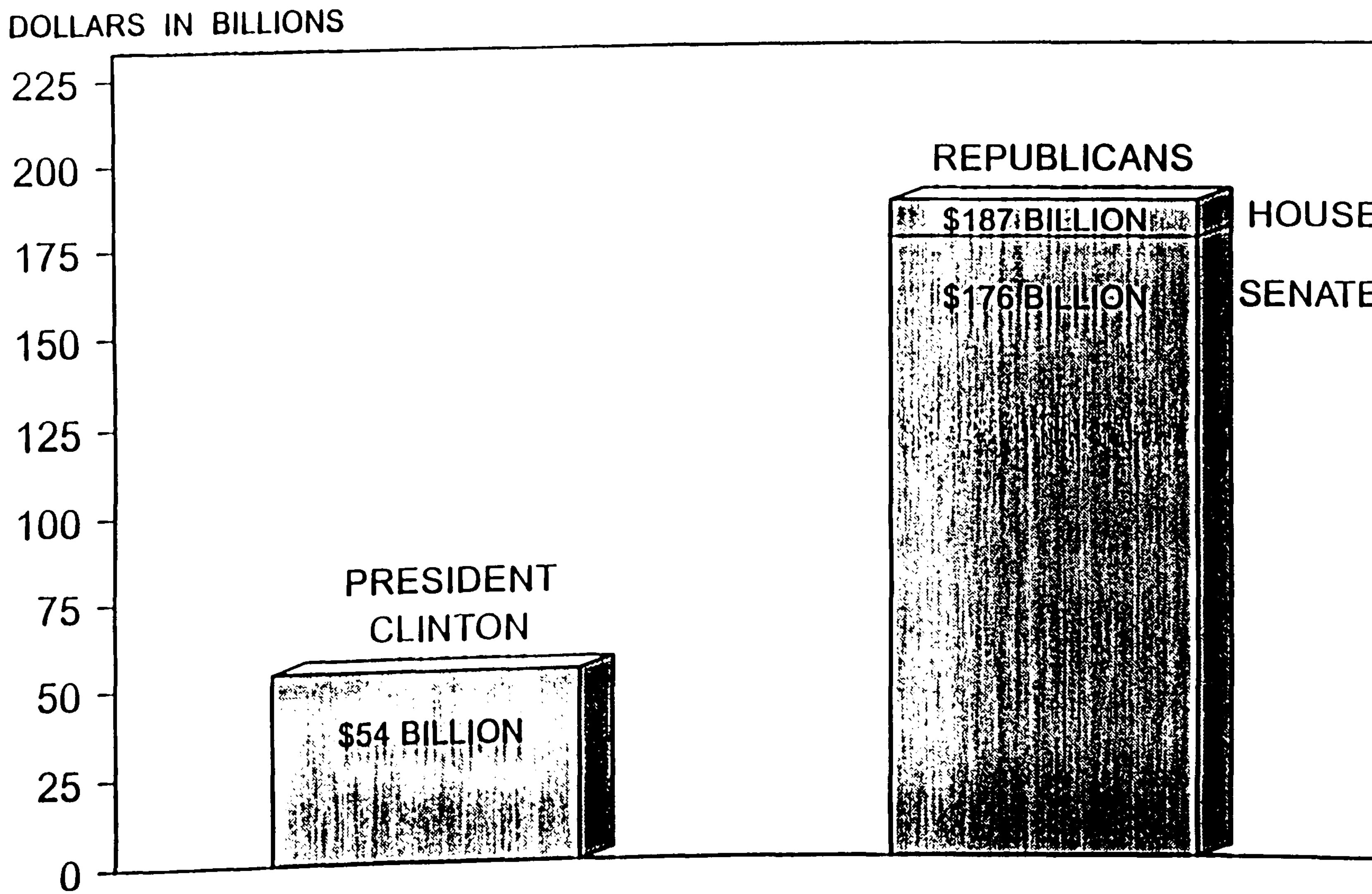
President's Proposal

- **NO NEW BENEFIT CUTS**

- Additional Benefits
  - Home- and Community-Based Care Grants
  - Respite Benefits for Alzheimer's Caretakers
  - Preventive Health Benefits: No Mammography Co-Payment

MEDICAID SAVINGS

SEVEN YEARS



THE PRESIDENT'S PLAN:
REWARDING WORK AND RESPONSIBILITY

For low-income programs, the President would move people from welfare to work through strict work requirements and investments in training and child care. He would expand efforts to fight fraud and abuse, maintain the national nutrition safety net, target support to the neediest, and protect poor children. These proposals would save $38 billion over 7 years, after accounting for investments in child care and work and training for welfare recipients. Republican proposals would cut more than $100 billion over 7 years, tearing apart the social safety net, imposing unattainable work requirements while slashing child care, and putting millions of children at risk.

• For the Earned Income Tax Credit, the President proposes to continue the expansion of tax relief for the working poor, save $3 billion over 7 years by improving error and fraud control, and make sure illegal aliens who are not authorized to work in the U.S. do not receive the EITC.

> -- By cutting the EITC by $21 billion over 7 years, Senate Republicans would raise taxes on 10 million working families with children and 4 million low-income workers without children.

• For cash assistance and social services programs, the President would save $10 billion over 7 years by tightening SSI eligibility, tightening rules for AFDC, encouraging recipients to move from welfare to work, curtailing abuses, and investing in child care and work programs.

> -- Republicans would drastically cut funding for cash assistance ($29-44 billion over 7 years), remove requirements that States contribute to program funding, place new strings on States, and, in the House plan, ultimately deny cash to millions of children. In addition, the House would eliminate SSI benefits for up to 170,000 disabled children now receiving benefits and for as many as 550,000-850,000 who would otherwise receive them over the next five years.

• For benefits to immigrants, the President would save $5 billion over 7 years by tightening sponsorship and eligibility rules for non-citizens, thus forcing sponsors of legal immigrants to bear greater responsibility for those whom they encourage to come to the U.S.

> -- Republicans would slash $27-$33 billion over 7 years by denying assistance to low-income immigrants, including over 1 million legal immigrants now in the U.S.

• For food assistance, the President would maintain the national nutrition safety net programs while cutting mandatory spending by $20 billion over 7 years. He would protect spending on WIC and give 600,000 more women, infants and children access to WIC's important health and nutrition benefits.

> -- Republicans would eliminate the national nutrition safety net, slashing $33-$49 billion over 7 years, by capping Food Stamps and block granting the school lunch and other child nutrition programs. In addition, Republicans would force up to 300,000 women, infants, and children off WIC in 1996.

THE PRESIDENT'S PLAN:
REFORMING ENTITLEMENT SPENDING

The President is proposing a series of reforms in entitlements and other mandatory programs that will raise tens of billions of dollars by targeting benefits to those who need them and ensuring that taxpayers get a fair return on public resources. Republicans would cut too deeply into entitlements and threaten services and benefits on which millions of Americans rely.

Veterans:

• The President proposes to protect pensions for poor veterans and compensation for service-connected disabled veterans.

-- Republicans would restrict or eliminate compensation benefits for certain veterans, and redefine and narrow eligibility for service-connected disabilities.

Farm Programs:

• The President proposes to save $4.2 billion over 7 years by allowing farmers to use more acreage to plant what the market demands, reducing inequitable treatment of farmers by crop and region, and targeting payments to smaller farmers.

-- Republicans would cut farm program spending 3-4 times as much -- the House by $17 billion over 7 years, the Senate by $12 billion over 7 years -- without specifying how.

Spectrum Auction:

• The President proposes to raise $14.3 billion from 1996-2002 by expanding the Federal Communications Commission's spectrum auctions to a variety of new wireless services.

-- The House and Senate also would expand the Government's auction authority.

THE PRESIDENT'S PLAN:
INVESTING IN EDUCATION AND TRAINING

The President proposes to invest more in education and training, giving average Americans the skills they need to get high-wage jobs in the new economy. He would increase investment in education and training by $9.5 billion a year by 2002. The President's plan increases education and training by $40 billion over the next 7 years; Republicans would cut it by up to $43 billion over the same period.

• For National Service, the President would expand the Corporation for National and Community Service, enabling nearly 1 million young Americans to serve their communities and earn scholarships for higher education.

– The House would kill all national service programs.

• For the GI Bill for America's Workers (excluding Pell grants), the President consolidates 70 programs and add an additional $2.3 billion in 2002 for adult skill grants and youth programs.

– Republicans would cut funding 25 percent below the 1995 level.

• For Head Start, the President would increase annual funding by $1.5 billion by 2002 to reach another 50,000 children -- for a total of 800,000 per year -- and to improve quality.

– House Republicans would cut up to 200,000 children, compared to 1995.

• For Goals 2000, the President would increase funding from $124 million in 1995 to $867 million in 2002, helping all States and school systems extend high academic standards, better teaching, and better learning to 44 million children in over 85,000 schools.

-- House Republicans would kill support to help States raise education achievement.

• For Pell Grants, the President would increase annual funding by $3.4 billion by 2002 to reach 960,000 more recipients (for a total of 4.8 million) and increase the maximum award from $2,340 to $3,128.

– Republicans would freeze Pell at the 1995 level.

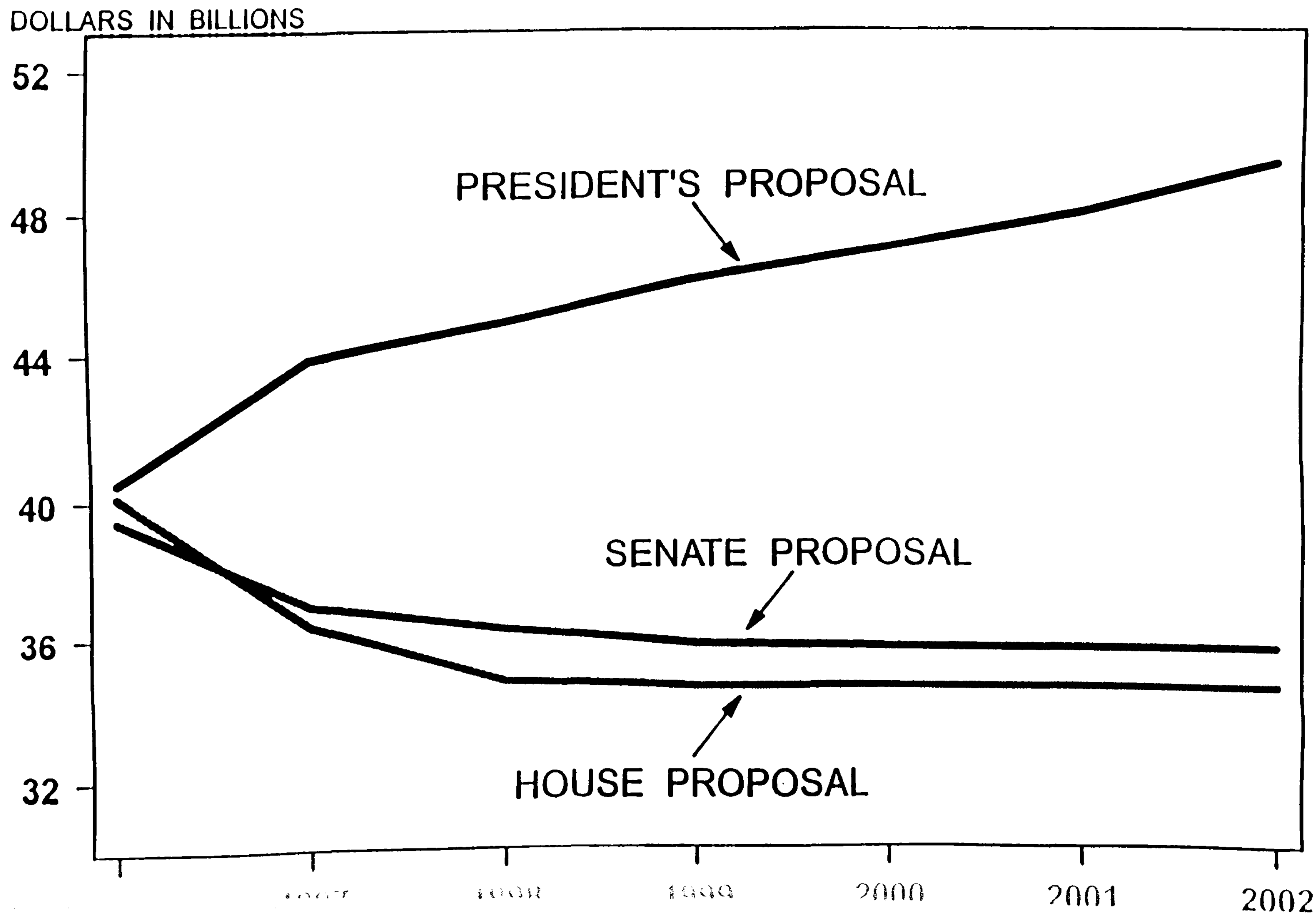
• For Safe and Drug-Free Schools and Communities, the President would maintain funding at $500 million per year, to help nearly ever school district fight drug abuse and reduce violence.

-- Republicans would turn the program into a block grant and cut funding 30 percent.

• The President would phase in Federal Direct Student Loans quicker, affecting $25 billion in loans to 6 million people a year, at lower cost to government, schools, and students.

-- House Republicans would eliminate the in-school interest exemption for 4 million financially needy borrowers, requiring a low-income college graduate who borrowed the maximum amount to pay $3,150 more for loans than under the President's plan.

INVESTMENTS IN EDUCATION AND TRAINING



THE PRESIDENT'S PLAN:
PROTECTING THE ENVIRONMENT

The President proposes to protect the environment and our natural resources, but still save money by focusing funds on legitimate Federal functions, cutting or eliminating lower-priority programs, and increasing the use of user fees. Republicans would jeopardize the environment by eliminating funds for constructing municipal wastewater and drinking water facilities, ending the acquisition of land for national parks and forests, and cutting park and forest budgets by 10 percent below 1995.

• The President proposes to consolidate the Clean Water and Safe Drinking Water State Revolving Funds that make loans for municipal wastewater and water treatment construction, giving States more flexibility in meeting local priorities. He would reduce funding over time to $1.5 billion a year as States gain access, as a permanent source, to the repayments of previous loans.

> -- The Senate would eliminate these programs by 1998; the House would provide less funding than the President.

• The President proposes to increase funding by $265 million a year by 2002 for the Environmental Protection Agency's operating program, the backbone of our efforts to protect the environment. This increase comes after $150 million in savings due to streamlining and decreased EPA oversight of State delegated programs. The operating program increases address global climate change, promote development and export of environmental technology, and protect sensitive ecosystems.

> -- Republicans would eliminate the program to develop environmental technologies that improve the environment at lower cost while opening new export markets, and terminate funding for programs that protect water quality and preserve habitat for ducks and fish.

• The President proposes increases each year for National Park operations and rehabilitation in order to maintain parks and their facilities.

> -- Republicans would cut national park construction by half, and park operations by 10 percent, the latter of which would strain the National Park Service's ability to keep parks open and up to standards.

• The President proposes to phase-down spending on Federal land acquisitions to $100 million a year, focusing on high-priority projects and the expanded use of land exchanges.

> -- Republicans would terminate Federal land acquisitions.

THE PRESIDENT'S PLAN: CONTROLLING VIOLENT CRIME

The President proposes to expand his vigorous fight against violent crime, providing a $6.7 billion increase a year by 2002 for grants to States and localities; more resources for Federal investigations, prosecutions, and imprisonment; and more support for the Federal Judiciary to try and convict violent offenders. The President would spend $7.5 billion more in 2002 than House Republicans and $200 million more than Senate Republicans.--

• The President proposes to fully fund the Violent Crime Reduction Trust Fund (VCRTF), providing the full $30.2 billion authorized by the VCRTF from 1995-2000. In addition, for 2001-02 the President would add $8.5 billion, bringing total VCRTF funding to $38.7 billion for 1995-2002.

-- House Republicans would cut programs authorized by the VCRTF from 1995-2000.

• The President's proposal for the VCRTF would finance:

-- 100,000 cops for State and local police forces, fulfilling a major promise of the President and adding almost 20 percent to State and local police forces;

-- reimbursements to States which have paid to incarcerate criminal illegal aliens; and

-- State and local grants to:

- bring new prison cells into service;
- confront the problems of violence against women; and
- finance "drug courts" which provide cost-effective ways to deal with first-time, non-violent drug offenders.

• The President would provide an increase of $1.7 billion by 2002 for Justice Department crime fighting programs, including heightened border enforcement, increased FBI and DEA funding to address drug abuse, street crime, and terrorism; and increased resources for the Federal Prison System for new prisons and costs tied to a growing population of violent criminals.

-- Republicans would not provide specific increases for these programs.

• The President would increase funding by $500 million a year by 2002 for the Federal court system to adjudicate violent criminal cases.

-- Republicans would not provide any increases for the Federal Judiciary.

• The President would terminate several unnecessary or redundant programs, such as the State Justice Institute, the Administrative Conference of the U.S., and the U.S. Parole Commission.

THE PRESIDENT'S PLAN:
STRENGTHENING OUR COMMITMENT TO SCIENCE AND TECHNOLOGY

The President proposes to significantly improve the Nation's global economic competitiveness through a balanced mix of basic research, applied research, and technology development, much of it through cooperative projects with private industry. Republicans would significantly reduce investments in basic research, applied research, and technology development.

- The President proposes to add $2.5 billion a year by 2002 for biomedical and behavioral research at the National Institute for Health.

  -- The House would cut biomedical and behavioral research at NIH by $542 million.

- The President proposes that the National Science Foundation's investments in basic research and education programs keep pace with inflation, adding $500 million a year by 2002.

  -- Republicans would invest significantly less, with the Senate cutting $100 million and the House adding $240 million.

- The President would provide $100 million more a year by 2002 for the science facilities utilization initiative, ensuring more research time for scientists working on "cutting edge" research facilities.

  -- Republicans would force many of these valuable facilities to close their doors.

- The President proposes to add at least $500 million a year by 2002 for NASA's investments in basic research, including Mission to Planet Earth, which will provide the first global study of the impact of man on the Earth's environment.

  -- Republicans would cut these important research programs significantly.

- The President is proposing to increase the Advanced Technology Program (ATP) million and the Manufacturing Extension Partnership (MEP) by almost $500 million a year by 2002. ATP invests in partnerships with industry to accelerate the development of high-risk technologies with significant commercial potential. The MEP is a nationwide, locally managed network of manufacturing centers to help the nation's 381,000 small manufacturers adopt modern manufacturing technologies.

  -- Republicans would eliminate both programs.

The President is proposing to increase funding by $100 million from 1996-2002 for the Defense Department's DOD Technology Reinvestment Project (TRP), which invests in partnerships with industry to accelerate the development of technologies that are critical to national security but can also benefit civilian purposes (i.e., dual use).

-- The House would eliminate it in the draft 1996 authorization bill.

THE PRESIDENT'S PLAN:
TARGETING TAX RELIEF TO MIDDLE-INCOME AMERICANS

The President also proposes to raise living standards with a tax cut for middle-income Americans. The President proposes to help average Americans to save, and to meet the cost of raising and educating their children. Republicans would provide a huge tax cut whose benefits flow disproportionately to wealthy people and corporations and whose costs must be offset by deep cuts in Medicare and other priorities.

• To assist families raising children, the President proposes a tax credit of up to $500 for each child under age 13. The credit starts at $300 per child through 1998, and increases to $500 in 1999. It is phased out between incomes of $65,000 and $75,000 per year.

> -- House Republicans also include a $500 child tax credit, but phase it out between incomes of $200,000 and $250,000. Because Republicans propose a tax cut for people of high incomes -- about 6 times that of the typical family -- they must cut deeply into Medicare and other priorities.

• To help families meet the costs of education beyond high school, the President proposes a deduction for post-secondary tuition and fees of up to $10,000 per year. The deduction begins at $5,000 in 1996, rising to $10,000 in 1999. It is phased out at incomes between $100,000 and $120,000 per year for married couples ($70,000 and $90,000 for other taxpayers).

> -- Republicans have offered no such incentive for education.

• To help families save, the President proposes to expand Individual Retirement Accounts. Income limits would double; couples with incomes up to $80,000 (and single persons with incomes of $50,000) could make fully deductible contributions. The President would allow penalty-free withdrawals for catastrophic medical expenses (including for parents and grandparents), higher education costs, the purchase of a first home, and unemployment. The President proposes a new back-loaded IRA; contributions are not tax deductible, but withdrawals after five years are tax free.

> -- House Republican have a similar proposal but would allow back-loaded contributions with no income limit -- again, forcing deep cuts in Medicare and other priorities.

* * *

• House Republicans also have proposed enormous tax cuts for wealthy persons and corporations, forcing them to cut deeply into Medicare and other priorities. The tax cuts include: the virtual end of the alternative minimum tax for large corporations, costing $35 billion over 10 years; a liberalization of tax depreciation laws that would save large corporations over $150 billion between 1999 and 2005; a cut in estate taxes for persons with at least $600,000 of accumulated wealth, costing $20 billion; and a capital gains tax cut, costing $90 billion and providing 58 percent of its tax benefits to the 2.5 percent of taxpayers with incomes over $200,000 per year.

REACH TARGET BY 2005

(In billions of dollars)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	10-Year Total
Outlays:												
Discretionary:												
Defense	272	262	258	255	260	268	276	281	282	283	283	2,709
Non-Defense	280	285	287	286	284	281	286	293	297	303	308	2,911
Total discretionary	552	547	545	541	545	550	562	574	579	586	591	5,619
Mandatory:												
Health:												
Medicare	154	172	186	199	213	227	243	260	282	303	326	2,411
Medicaid	88	92	100	109	117	127	138	150	163	177	193	1,367
Other	---	---	3	4	4	4	4	5	5	6	6	40
Subtotal, health	243	264	290	312	334	358	386	415	450	486	524	3,818
Other	508	533	566	594	626	659	690	718	754	791	830	6,760
Subtotal, mandatory	751	796	856	906	960	1,017	1,075	1,133	1,203	1,277	1,355	10,579
Net interest	234	256	266	272	277	280	282	282	279	277	273	2,745
Total, outlays	1,537	1,599	1,667	1,719	1,782	1,847	1,919	1,989	2,062	2,139	2,219	18,943
Receipts	1,346	1,416	1,473	1,550	1,626	1,712	1,804	1,904	2,007	2,119	2,236	17,849
Deficit	190	183	194	169	156	135	116	85	54	21	-18	1,094

Year-by-Year Savings

(In billions of dollars)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Baseline deficit	201	218	209	221	229	235	240	248	255	266
Entitlements	-11	-16	-22	-26	-35	-46	-62	-70	-82	-95
Medicare savings	-4	-6	-10	-16	-23	-30	-39	-45	-55	-67
Medicaid savings	-4	-4	-6	-7	-9	-11	-13	-15	-17	-19
Reform of poverty programs	-2	-4	-5	-6	-6	-7	-8	-8	-8	-9
Other	-2	-2	-1	3	3	3	-2	-2	-2	-1
Discretionary	-8	-11	-16	-28	-41	-45	-51	-65	-77	-92
Defense	---	---	---	---	---	---	-3	-10	-18	-27
Nondefense	-8	-11	-16	-28	-41	-45	-48	-54	-59	-65
Interest	-1	-5	-12	-22	-35	-47	-62	-79	-97	-117
Corporate Subsidies	-1	-2	-3	-4	-5	-5	-5	-6	-6	-6
Revenue changes	3	11	12	16	21	23	25	26	28	26
Deficit or surplus	183	194	169	156	135	116	85	54	21	-18

A COMPARISON OF DEFICIT REDUCTION PLANS
(Seven year totals compared to OMB capped baseline, in billions of dollars)

	'96 Budget	House	Senate	President's Plan
Spending:				
Discretionary	-198	-463	-522	-200
Defense	---	43	-24	-3
Nondefense	-198	-506	-497	-197
Mandatory	-44	-669	-626	-216
Medicare:				
Extenders	-28	-28	-28	-28
Additional savings	---	-258	-226	-99
Medicaid	1	-187	-176	-54
Health reform (net)				(-125)
Farm	-3	-17	-12	-4
Veterans	-6	-6	-10	-6
Civil service	---	-3	-7	---
Poverty	-4	-131	-116	-38
Spectrum	-8	-15	-25	-15
Other	4	-23	-27	3
Net interest	-27	-272	-346	-172
Revenues	96	340	-9	96
Corporate subsidies	---	-25	---	-25

1/ President's plan includes major increases in key education and training programs.

DEPARTMENT OF THE TREASURY

TREASURY NEWS

1500 PENNSYLVANIA AVENUE, N.W. • WASHINGTON, D.C. • 20220 • (202) 622-2960

FOR RELEASE AT 10:00 A.M.
June 15, 1995

STATEMENT OF
LESLIE B. SAMUELS
ASSISTANT SECRETARY (TAX POLICY)
DEPARTMENT OF THE TREASURY
BEFORE THE
SUBCOMMITTEES ON OVERSIGHT AND HUMAN RESOURCES
COMMITTEE ON WAYS AND MEANS
UNITED STATES HOUSE OF REPRESENTATIVES

Chairman Johnson, Chairman Shaw, and Members of the Subcommittees:

I am pleased to have the opportunity to discuss the targeting and labor market effects of the earned income tax credit (EITC), as well as steps that are being taken to improve the credit. While I will briefly touch upon compliance issues, Commissioner Richardson's testimony will address administrative matters more completely.

The Administration is strongly committed to the goals of the EITC which are to make work pay and to lift workers out of poverty in the most efficient and administrable manner possible. Since the EITC was created in 1975, bipartisan support for the tax credit and its goals has been growing. With its message of "work pays," the EITC helps reduce dependency on welfare and increase reliance on jobs. Prior to 1993, Congress voted to significantly expand the EITC in the Tax Reform Act of 1986 and the Omnibus Budget Reconciliation Act of 1990.

This Administration's commitment to the EITC has been demonstrated through a number of legislative and administrative actions since early 1993. In February 1993, we proposed an expansion of the EITC in order to improve its effectiveness in encouraging work and increasing the disposable income of working families. With certain modifications, Congress enacted the Administration's proposals as part of the Omnibus Budget Reconciliation Act of 1993 (OBRA 1993). The EITC is growing as it was designed to grow pursuant to the three expansions signed into law by Presidents Reagan, Bush, and Clinton respectively. As soon as those expansions are fully phased in, the EITC costs will grow at a slower rate than gross domestic product (Figure 1).

Since the passage of OBRA 1993, we have proposed further legislative changes to improve the administration and targeting of the EITC, while reducing its costs. Four of these proposals were included in the Uruguay Round Agreement Act of 1994 (URAA). As a consequence of that legislation, the EITC is denied to nonresident aliens and prisoners, taxpayers are required to provide a taxpayer identification number for each EITC qualifying child regardless of age, and the Department of Defense is required to report to both the IRS and military personnel the non-taxable earned income used in computing the EITC.

In this year's budget, we proposed that the EITC be denied to taxpayers with $2,500 or more of interest and dividend income. A similar, but modified, provision was included in H.R. 831, which extended and expanded the 25 percent deduction for health insurance costs incurred by self-employed individuals.

We have also made several proposals which are still pending final legislative action. This year's budget includes proposals to deny the EITC to undocumented workers and to provide the IRS with the authority to use simpler and more efficient procedures when taxpayers fail to supply a valid social security number. In addition, the Administration proposed legislation last year that would permit demonstration projects to test alternative methods of administering advance payments of the EITC. We hope that Congress will act on these outstanding proposals.

As Commissioner Richardson will testify, the Administration has taken other significant actions to strengthen the integrity of the EITC. We have expanded our outreach efforts to ensure that eligible low-income individuals are aware of the EITC and the advance payment option. We have also conducted studies of EITC compliance and the broader issue of problematic refunds. Last spring, then-Secretary Bentsen appointed a Task Force to conduct an independent investigation of the refund fraud, and Under Secretary Noble presented their interim findings and call for aggressive action to the Ways and Means Oversight Subcommittee last October. This year, we have intensified our scrutiny of returns claiming the EITC in order to prevent erroneous refunds from being paid to ineligible individuals.

While the House budget resolution does not assume reductions in the EITC, we understand that members of the Subcommittees are concerned about the effectiveness of this tax provision. Moreover, the Senate has assumed that the EITC would be reduced in its budget resolutions. We are concerned that many of the proposals that have been discussed in the Senate to change the EITC, though described as compliance measures, would not reduce error rates. Rather, these proposals would simply raise taxes on low and moderate-income working families. In fact, some alternative proposals to redesign the EITC would actually cause <u>both</u> non-compliance and work disincentives to increase. Before considering significant changes to this important tax credit which rewards work, we would urge the Congress to wait, as is assumed in the House budget resolution, until we have had time to observe the effects of both recent legislation and our enhanced compliance efforts.

In the remainder of my testimony, I will discuss in some detail the goals of the EITC and the actions taken by the Administration to strengthen the effectiveness of the EITC, as well as our views regarding proposals for possible modifications to the EITC.

Description of Earned Income Tax Credit for Low-Income Workers

The EITC is a refundable tax credit that is available only to low and moderate income workers who have earned income and meet certain adjusted gross income (AGI) thresholds. To be eligible for the EITC, a taxpayer must reside in the United States for over six months. Nonresident aliens are not entitled to the EITC beginning in 1995.

The amount of the credit increases significantly if an individual has one or two qualifying children. A child qualifies a filer for a larger EITC by meeting relationship, residency, and age tests. To meet the relationship test, the individual must be a child, stepchild, descendent of a child, or foster child of the taxpayer. The child must generally reside with the taxpayer in the United States for over half the year. For foster children, the residency test is extended to the full year. A qualifying child must be under the age of 19 (24 if a full-time student) or be permanently and totally disabled. By tax year 1997, a taxpayer must provide a taxpayer identification number (TIN) for each qualifying child.

Computation of the Credit. The credit is determined by multiplying an individual's earned income by a credit percentage. For a family with only one qualifying child, the credit percentage for 1995 is 34 percent. The credit amount increases as income increases, up to a maximum income threshold. For 1995, the income threshold is $6,160. Therefore, if there is only one qualifying child, the maximum credit for 1995 is $2,094 (34 percent of $6,160).

The credit is reduced and eventually phased out once AGI (or, if greater, earned income) exceeds a certain phase-out threshold. For 1995, the phase-out threshold is $11,290. The phase-out is accomplished by reducing the credit by a phase-out percentage. In 1995, for a family with only one qualifying child, the credit is reduced by an amount equal to 15.98 percent of the excess of AGI (or, if greater, earned income) over $11,290. The credit is completely phased out and is no longer available to taxpayers with incomes above the end of the phase-out range. In 1995, this income level is $24,396. The income thresholds for both the phase-in and phase-out ranges are adjusted for changes in the cost of living.

If there are two or more qualifying children, the credit percentage, income thresholds, and phase-out percentage are higher. For 1995, the credit percentage for families with two or more children is 36 percent of the first $8,640 of earned income. Filers with earnings between $8,640 and $11,290 are entitled to the maximum credit of $3,110 (36 percent of $8,640).

The phase-out percentage for these families is 20.22 percent. As in the case of the credit for families with one child, the credit is phased out starting at $11,290. However, the phase-out range for families with two or more children extends to $26,673.

In 1996, the credit percentage for families with two or more children will increase to 40 percent of the first $8,900 of earnings. Filers with earnings between $8,900 and $11,620 will be entitled to the maximum credit of $3,560 (40 percent of $8,900). The phase-out percentage will also increase to 21.06 percent, and the phase-out range will extend to $28,524. Thereafter, the income thresholds for both the phase-in and phase-out ranges will be adjusted for changes in the cost of living. (The dollar amounts shown for 1996 are estimates.)

Workers who do not reside with qualifying children may claim the EITC if they are between 25 and 64 years of age and are not claimed as a dependent on another taxpayer's return. For these workers, the basic credit is 7.65 percent of the first $4,100 of earned income for a maximum credit of $314. In 1995, the phase-out range for these workers is between $5,130 and $9,230 of AGI (or, if greater, earned income). The phase-out percentage is also 7.65 percent. The income thresholds for both the phase-in and phase-out ranges are adjusted for changes in the cost of living.

Figures 2 and 3 show the EITC credit structure for 1995 and 1996, respectively.

Advance Payments of the EITC. There are two ways to receive the EITC. Individuals can claim the credit by completing a Schedule EIC when filing their tax return at the end of the year. Alternatively, individuals with qualifying children may elect to receive a portion of their EITC in advance by filing a Form W-5 with their employer. These individuals are entitled to receive on an advance basis up to 60 percent of the credit allowable for a family with one qualifying child. The employer is not required to verify a person's eligibility for the credit.

At the end of the year, the employer notifies both the IRS and workers of the actual amounts of advance credits paid to individual workers on the Form W-2. When filing tax returns at the end of the year, these workers reduce the amount of EITC claimed by the amount of advance payments received.

Questionable Claims: The IRS must follow normal deficiency procedures when investigating questionable EITC claims. First, contact letters requesting additional information are sent to the taxpayer. If the necessary information is not provided by the taxpayer, a statutory notice of deficiency is sent by certified mail, notifying the taxpayer that the adjustment will be assessed unless the taxpayer files a petition in Tax Court within 90 days. If a petition is not filed within that time and there is no other response to the statutory notice, an assessment is made in which the EITC is denied.

Refundable Nature of Credit: The EITC offsets Federal taxes paid by low and moderate-income families. In recent discussions, there has been some confusion regarding the refundable nature of the EITC. In large part, this confusion appears to stem from the distinction between Congressional intent and budgeting conventions. Under conventional budget accounting practices, the EITC is shown in the budget as a reduction in taxes only to the extent to which it offsets a taxpayer's liability for taxes paid through the income tax system. This is because the EITC is claimed through the income tax system and as a practical matter, the credit can be most easily measured as an offset against the taxes paid through this system. Thus, under these conventions, about 23 percent of EITC costs in FY 1995 are shown in the budget as a reduction in Federal income taxes and other taxes paid through the income system, including self-employment taxes (SECA). About half of EITC recipients have an income or SECA tax liability prior to the receipt of the EITC.

Given that the EITC was created to offset the tax burden of low and moderate-income families, the EITC should not simply be measured as an offset to income and SECA taxes. When the reduction in the employee and employer portions of all social security taxes are included in the calculation, about 78 percent of EITC costs offset individual income and payroll taxes paid by recipients. Nearly all EITC recipients are subject to either individual income or social security taxes before qualifying for the EITC. Even this measure does not take into account other taxes which are offset by the EITC. During the consideration of both OBRA 1990 and 1993, the EITC expansions were also viewed as a way of offsetting the burden of increases in excise taxes, particularly the increases in the gasoline tax.

There has also been some confusion about the fact that most EITC recipients choose to claim the credit at the end of the year as a lump-sum payment rather than by adjusting their withholding or by taking advantage of the advance payment option. In that regard, EITC recipients are not very different from the majority of taxpayers who choose to receive a refund at the end of the year, rather than reduce their income tax withholding during the year. About 70 percent of non-EITC recipients receive an average refund of $1,150 at the end of the year.

Goals of the EITC

In developing the Administration's agenda for the EITC, we have been guided by the three basic principles of tax policy: efficiency, fairness, and simplicity. Specifically, we have sought expansions and modifications to the EITC in order to achieve the following four goals:

(1) to make work pay for those who might otherwise be on welfare;
(2) to ensure that an individual who works full time throughout the year will not live in poverty;
(3) to target benefits to those with the greatest needs while minimizing distortions; and
(4) to make it easier for eligible individuals to claim the credit and for the IRS to verify their eligibility.

I would like to address each of these four goals in more detail.

For low-income families, the EITC <u>makes work pay</u> in two ways. Unlike many assistance programs for low-income families, the EITC is limited to working families. Moreover, the credit amount initially increases -- rather than decreases -- for each additional dollar of earnings. As a consequence, the EITC is different from low-income assistance programs that are characterized by a reduction in benefits for each additional dollar of earnings. The EITC significantly increases the marginal return from working for both those who do not work at all and those who work less than full-time at minimum-wage jobs throughout the year. As Figure 4 shows, these would include both individuals who currently do not have earnings as well as those in the "phase-in" region of the EITC.

The positive link between the EITC and work also helps offset the work disincentives created by other tax and transfer programs. Between 1983 and 1990, payroll taxes increased five times. Currently, workers are taxed at the combined employer and employee rates of 15.3 percent on the first dollar of earnings for the old-age, survivors, disability and health insurance (OASDHI) programs. Beyond a relatively low income threshold, food stamp benefits are reduced by 24 cents for each additional dollar of earnings. The EITC, with its positive credit rate on low earnings, is the only benefit designed to help offset the marginal tax rates imposed by these other programs.

A person who works at a full-time job for the entire year should not live in poverty. As the EITC has increased in recent years, the minimum wage and other benefits received by low-income working families have declined in real value. Without an increase in the minimum wage, its real value in 1996 will decline to its lowest value in forty years. In addition, AFDC benefits are no longer provided for most families in which a mother works at least half-time. In the early 1970s, most states provided AFDC benefits as a wage supplement to a mother with two children whose earnings equaled 75 percent of the poverty level. Currently, only three states provide comparable benefits. In order to ensure that a family of four dependent on a full-time worker earning the minimum wage is lifted out of poverty, it would require a combination of food stamps, enactment of the President's proposal to increase the minimum wage, and implementation of the expanded EITC.

The benefits of the EITC should be targeted to families with the greatest needs and to those who can be best served by the positive incentives associated with the EITC. As a consequence, the credit rate is highest at very low earning levels, thus reaching individuals who are often making the critical step from welfare to work. Because larger families have greater needs than smaller families, taxpayers with two or more children are entitled to a larger EITC than taxpayers with one or no children.

Families with incomes slightly above the poverty level also require assistance. Wages have stagnated for many workers and declined markedly for low-wage workers. Between 1973 and 1993, real hourly wages of full-time male workers at the tenth percentile (that is, those whose wages are just above those of the lowest-paid 10 percent of workers) declined 16 percent, while real hourly wages at the median fell 12 percent. By providing the EITC to families with incomes of up to $28,524 in 1996, the tax provision provides a cushion to protect moderate-income families from the effects of wage stagnation.

The EITC is designed to target assistance to the very neediest working families. We cannot target assistance to low-income families without causing marginal tax rates to increase for families with slightly higher income. However, we can seek to minimize such distortions.

The fourth goal of the EITC is simplicity and verification. If eligibility rules are simple, taxpayers can more accurately claim the EITC and avoid costly errors. With simple and verifiable eligibility rules, the IRS can also better ensure that the EITC is paid only to taxpayers who are eligible for the credit.

Simplicity is particularly important, because eligible individuals can claim the EITC directly when they file their tax return. It is likely that this simple application process has contributed to high participation rates among families eligible for the EITC. It has been estimated that between 80 and 86 percent of eligible persons claimed the EITC in 1990.

From the IRS's perspective, it is easier to verify eligibility for the EITC if the rules are simple. Moreover, because the IRS does not ordinarily interview EITC claimants, it is important that eligibility be based on criteria which can be verified as quickly as possible through independent reporting sources. Simplicity and verification prior to the payment of the EITC are key to the successful operation of the tax credit.

The Ways and Means Committee recognized the importance of the need for simplicity during consideration of OBRA 1990. At that time, data from the 1985 Taxpayer Compliance Measurement Program (TCMP) became available, showing an unacceptable number of erroneous EITC claims. In response, the tax-writing committees worked with the Bush Administration to address this problem. The simplification provisions contained in OBRA 1990 were a first step toward reducing EITC error rates. As described below, additional steps have been taken since 1990 to further reduce EITC error rates.

Legislative and Administrative Actions in 1993 and 1994

As I outlined in the beginning of my testimony, the Administration and Congress have taken a number of important legislative and administrative actions during the past two years in order to improve the effectiveness and administration of the EITC. I would like to review with you our accomplishments during this period.

OBRA 1993. OBRA 1993 expands the EITC and makes the tax credit more effective in achieving its policy objectives.

First, OBRA 1993 increased the returns from working for those outside the workforce and for other very low-wage workers. (See Figure 4.) For very low-wage workers without qualifying children, the EITC offsets the employee portion of the OASDHI tax. During the past decades, these workers had borne the full burden of increases in OASDHI taxes because they were not entitled to the EITC. For a family with one child, the credit rate for those with low earnings was increased by 11 percentage points from 23 percent to 34 percent. For a family with two or more children, the credit rate for those with earnings below $8,900 in 1996 was increased by 15 percentage points from 25 percent to 40 percent. For low-wage workers with two or more children, the EITC will fully offset the combined employee and employer portions of the OASDHI taxes and the food stamp benefit reduction formula.

The OBRA 1993 expansion was also a critical step toward achieving the goal that a full-time worker should not live in poverty if he or she works throughout the year. In combination, a minimum wage job, food stamp benefits, and the EITC can lift a single parent with one or two children out of poverty. But, the income (including the EITC and food stamps and subtracting the employee portion of OASDHI taxes) of a family of four with only one full-time, minimum wage worker falls below the official poverty threshold. Prior to the passage of OBRA 1993, the poverty gap for a family of four would have been $2,435 in 1996. The OBRA 1993 expansion significantly closes that gap. However, since the minimum wage has not kept pace with inflation, the job is not completed yet. This is why the President has proposed that the minimum wage be increased over two years by 90 cents.

OBRA 1993 reduced the poverty gap for minimum wage workers by increasing the maximum benefits by nearly $1,500 in 1996 for a family with two or more children. For these families, this increase in the maximum credit, without a change in the phase-out range, would have resulted in a phase-out rate of 30 percent. In OBRA 1993, we tried to find a balance between the goals of providing low-income families with sufficient income support, while minimizing the marginal tax rates placed on families with higher, but still modest, levels of income.

Thus, the increases in the maximum credit were accompanied by changes in the income thresholds. For all families with children, the beginning of the phase-out range was lowered by about $1,600. As a consequence, the phase-out rate actually fell slightly for a family with one child since the end of the phase-out range was left unchanged. To reduce marginal tax rates among families in the phase-out range, eligibility for the EITC was extended to families with two or more children that have incomes in 1996 of up to $28,524 (or about $3,000 above the prior level). The combination of these factors increased the phase-out rate from 17.86 percent to 21.06 percent, rather than 30 percent.

While the effect of OBRA 1993 can not be measured yet, we believe that the legislation will, on net, increase work effort. While some workers with larger families will face slightly higher marginal tax rates, they are unlikely to change their behavior much in response. These are individuals who are already very attached to the work force. They cannot easily adjust their hours of work in response to a small change in tax rates; they need both their jobs and the EITC to meet their day-to-day needs, and most employers will not allow them the discretion to work fewer hours. The effect of the higher marginal tax rates on some workers in the phase-out range will likely be far outweighed by the effect of the increase in the credit rate. By making work pay, the OBRA 1993 increase in the credit rate will encourage non-workers to enter the workforce and other low-income part-time workers to increase their hours of work.

Finally, OBRA 1993 simplified the eligibility criteria for the EITC beginning in 1994 by eliminating the two supplemental credits for health insurance coverage and for taxpayers with children under 1 year of age. These two supplemental provisions added several paragraphs to the instructions, 10 additional lines on the Schedule EIC, and two additional look-up tables. The IRS could not easily verify eligibility for the supplemental credits because it did not receive independent verification of taxpayers' eligibility for them. These changes should improve compliance by reducing errors and improving verification.

URAA. URAA contains several provisions to improve the targeting of the EITC to those with the greatest need. Under this legislation, nonresident aliens are denied the EITC beginning in 1995. Under prior law, nonresident aliens could receive the EITC based on their earnings in the United States, even though they were not required to report their world-wide income to the IRS. Thus, it was possible for a wealthy foreign student to obtain the EITC based on his or her earnings as a teaching assistant at an American university.

In addition, prisoners will not be eligible for the EITC based on their earnings while incarcerated. In the past, prisoners generally would not have been able to claim the EITC because they did not reside with a qualifying child for over half the year. When the EITC was made available to workers without children in 1994, it became possible for prisoners to receive the EITC based on their earnings at prison jobs. Because this provision was made effective for tax year 1994, the EITC will not be paid to these individuals.

URAA also contained two provisions to improve the administration of the EITC. By 1997, taxpayers will be required to provide TINs for all dependents and EITC qualifying children, regardless of their age. By requiring EITC claimants to provide the TINs of all children, regardless of age, URAA improves the ability of the IRS to verify the eligibility of a taxpayer for the EITC.

Under the legislation, the Department of Defense is required to provide military personnel and the IRS with information regarding basic housing and subsistence allowances (or in-kind equivalents) and income excluded by reason of service in a combat zone. These changes will not increase their taxable income but will improve accuracy in reporting and verification of earned income. The savings from this provision are somewhat offset by another provision which extends EITC eligibility to military personnel stationed abroad.

Administrative Actions. The Administration has taken a number of steps to ensure that eligible individuals know about the EITC and the advance payment option. While many eligible persons receive the EITC, fewer than 1 percent of EITC claimants receive the credit through advance payments. The reasons for the low utilization rate are not fully known. One possible explanation is that workers simply do not know that they have the option of claiming the credit in advance. A General Accounting Office study in 1992 provided some support for this theory when investigators found widespread ignorance about the advance payment option among low-income workers.[1]

---

[1] U.S. General Accounting Office. Earned Income Tax Credit: Advance Payment Option is Not Widely Known or Understood by the Public. (GAO/GGD-92-26, February 19, 1992).

The Administration has intensified its efforts to alert taxpayers of their eligibility for advanced payments. As one of the first steps, President Clinton announced a Federal campaign in 1994 to enroll eligible government workers in the advanced payment system. The Treasury Department and a group of business executives have also joined forces to encourage private-sector employers to notify their workers about the advanced payment option. As required by OBRA 1993, the IRS sends out notices to EITC claimants after the filing season, informing them about the advance payment option and (although not required by the 1993 legislation) also supplying a Form W-5 for their use.

As Commissioner Richardson will explain, the Administration has also taken steps to ensure that those who are not eligible for the EITC do not receive it. During a two-week period in January, 1994, the IRS conducted a pilot study to determine what additional enforcement tools might be necessary to detect and prevent erroneous refunds during the remainder of the 1994 filing season. The results of the pilot compliance study, drawn from a sample of over 1,000 taxpayers who filed electronically during a two-week period in January, 1994, found that about 26 percent of every dollar claimed in the EITC was in excess of the actual amount owed to the taxpayer.

The results of this pilot study are not representative of the EITC filing population as a whole. Nonetheless, the IRS has taken a number of responsible and needed steps to limit the EITC to those who are entitled to the credit. Beginning this year, the IRS is validating the social security numbers on all tax returns claiming the EITC. Refunds on returns with incorrect or missing numbers are being delayed while the IRS checks the accuracy of the refunds claimed. We estimate that the effects of the social security validation tests, along with conventional enforcement activities and the repeal of the complicated supplemental credits, should reduce the error rate to 19 percent.

Using the results of the pilot study and other information, the IRS is also increasing its screening and review of all returns to ensure that only those taxpayers entitled to refunds receive them. As a consequence, refunds may be delayed on other questionable returns. Moreover, other legislative steps, described above, are still being implemented over the next several years (e.g., the requirement that taxpayers provide a taxpayer identification number for all children regardless of age). Finally, Congressional action on the Administration's remaining legislative proposals, described below, should further reduce error rates. In combination, implementation of these additional enforcement procedures and legislative actions will make it more difficult for taxpayers to erroneously claim the EITC and further reduce error rates.

Finally, the IRS stopped providing Direct Deposit Indicators in the 1995 filing season to lenders who were providing refund anticipation loans. This action is also expected to reduce compliance problems that were associated with refund anticipation loans. The IRS's actions this filing season have been applauded as both responsible and necessary by Ways and Means Oversight Subcommittee Chairman Johnson and Ranking Member Matsui in a recent "Dear Colleague" letter to House members.

FY 1996 Budget Proposals

The Administration included several proposals to improve the targeting and administration of the EITC in this year's budget submission. We are ready to work with the Congress on those proposals which have not yet been enacted.

Deny EITC to taxpayers having more than $2,500 of taxable interest and dividends. Under this proposal, the EITC would be denied to taxpayers having more than $2,500 of taxable interest and dividends beginning in 1996. This threshold would be indexed for inflation thereafter.

This proposal would improve the targeting of the EITC to the families with the greatest need. Under current law, a taxpayer may have relatively low earned income and be eligible for the EITC, even though he or she has significant interest and dividend income. Most EITC recipients do not have significant resources and must rely on their earnings in order to meet their day-to-day expenses, but taxpayers with significant interest and dividend income can draw upon the resources that produce this income to meet family needs.

This proposal, with some modification, was included in H.R. 831, which extended and expanded the 25 percent health insurance deduction for self-employed individuals. H.R. 831 lowered the asset income threshold to $2,350 and expanded the categories of income subject to the threshold to include tax-exempt interest and net positive rents and royalties. The asset income threshold is not indexed.

In developing the Administration's proposal, we considered a broader list of asset income subject to the cap. We recognized that a broader list might increase equity, by treating the recipients of certain other types of asset income in the same manner as those who receive interest and dividend income. An expanded list would also reduce the incentive to choose a particular type of investment based on its tax or refund consequences. However, we were also concerned because the inclusion of net positive rents and royalties would add complexity to the determination of the EITC. These items are not reported separately on the Form 1040. We did not include the broader list of asset items because we were also concerned that low-income taxpayers could not convert real estate holdings and other types of assets into cash as easily as savings accounts and stocks in a time of need.

While we did not oppose the inclusion of tax-exempt interest and net rents and royalties in H.R. 831, we are very concerned about the asset income threshold not being indexed. We believe that the asset income threshold should be indexed in the same manner as all other income parameters for the EITC. Without indexation, the number of persons affected by this provision will increase over time. By 2000, the threshold would be equal to about $2,075 in 1996 dollars and would increase the number of affected taxpayers from about 550,000 to 650,000.

EITC Compliance Proposals. Under this budget proposal, only individuals who are authorized to work in the United States would be eligible for the EITC beginning in 1996.

Taxpayers claiming the EITC would be required to provide a valid social security number for themselves, their spouses, and their qualifying children. Social security numbers would have to be valid for employment purposes in the United States. Thus, eligible individuals would include U.S. citizens and lawful permanent residents. Taxpayers residing in the United States illegally would not be eligible for the credit.

In addition, the IRS would be authorized to use simplified procedures to resolve questions about the validity of a social security number. Under this approach, taxpayers would have 60 days in which they could either provide a correct social security number or request that the IRS follow the current-law deficiency procedures. If a taxpayer failed to respond within this period, he or she would be required to refile with correct social security numbers in order to obtain the EITC.

In combination, these provisions would strengthen the IRS's ability to detect and prevent erroneous refunds from being paid out. In addition, the proposals would improve the targeting of the EITC by providing the credit only to individuals who were authorized to work in the United States.

Tax Systems Modernization. The budget submission for the IRS contains funding for the continuation of its tax systems modernization (TSM). We urge the Congress to continue to fund TSM. TSM is vital to the long-run efficiency of the IRS's collection functions. TSM will also enhance the IRS's ability to detect erroneous EITC claims.

Demonstration Projects Proposal

In June 1994, the Administration introduced the Work and Responsibility Act (H.R. 4605). One of the provisions in H.R. 4605 would provide additional flexibility to States with respect to the EITC. We continue to support this proposal.

The proposal would allow four demonstration projects to determine the effects of alternative methods of delivering advance payments of the EITC. States would apply to the Department of the Treasury to provide advance payments of the EITC directly to eligible residents through a State agency. Such agencies could include food stamp offices, Employment Services, and State revenue departments. State plans would be required to specify how payment of the EITC would be administered. To finance these payments, States would reduce payments of withholding taxes (for both income and payroll taxes) from their own employees by the amount of the advance payments made during the prior quarter. The four selected projects could operate for three years beginning in 1996.

This pilot program is designed to determine whether another approach would be more effective for delivering advance payments than the current employer-based system. For example, a State could choose to allow all eligible EITC recipients to apply for advance payments. By receiving the credit as they earn wages, workers would observe the direct link between work effort and the EITC. Through a State program, individuals could have a choice of receiving the credit from a neutral third-party, without fear of the consequences of notifying their employers of their eligibility for the EITC. Moreover, they could receive assistance in determining the appropriate amount of the EITC to claim in advance.

A State could instead choose to target the advance payments of the EITC to welfare recipients -- as a way of driving home the message that "work pays." These individuals may not know about the EITC, and how it can "make work pay," because they do not have to file a tax return if their adjusted gross incomes are below the tax thresholds (which are generally less than the poverty thresholds).

If the legislation passes, we will evaluate these demonstration projects in order to understand better how individuals respond to receiving advance payments of the EITC. We will pay careful attention to whether the use of State agencies can increase both utilization of the advance payment system and labor force participation by non-workers.

States also have the resources to verify many of the eligibility criteria for the credit better than employers, reducing the risk of erroneous payments being made to ineligible persons. This option would also allow for an evaluation of alternative delivery systems on compliance.

Other Suggestions

The Administration evaluates other proposals to modify the EITC by the same criteria we apply to our own proposals:

(1) Does the proposal make work more attractive to those outside the workforce and to others with minimal ties to the workforce?
(2) Does the proposal reduce the poverty gap for full-time workers?
(3) Does the proposal improve the targeting of the EITC to the neediest individuals and families in the least distortionary manner? and
(4) Does the proposal make it easier for eligible taxpayers to accurately claim the EITC and for the IRS to verify their eligibility before refunds are paid out?

We are concerned that many of the options that may be considered by the Subcommittees do not meet these criteria.

1. Senate Budget Committee Resolution

The Senate budget resolution assumes that the Senate Finance Committee will reduce the EITC by $13 billion between FY 1996 and 2000 and $21 billion between FY 1996 and 2002. The resolution further assumes that these savings can be achieved by repealing the EITC for workers without qualifying children, reducing the EITC rates for families with children, and adopting the Administration's EITC compliance proposals from the FY 1996 budget. Under the resolution, the credit rate for a family with two or more children would be reduced from its 1995 level of 36 percent to 35 percent. In addition, the credit rate for families with one child would be reduced from 34 percent to 30.15 percent. According to Treasury's estimates, the EITC proposals in the Senate budget resolution would reduce the EITC by $16.6 billion over the next five years and $25.6 billion over the next seven years. The Senate budget resolution would reduce the EITC for 14 million working families, on average, by about $239.

These proposals would generally limit the effectiveness of the EITC in reducing poverty. For example, in 1996, the maximum EITC for families with two or more children is scheduled to increase from $3,110 to $3,560. This is the level necessary, in combination with a 90 cent increase in the minimum wage, to close the poverty gap for a full-time minimum wage worker who supports a family of four. Under the Senate budget resolution, the maximum credit would be $445 less than current law.

By lowering the credit rate for families with children, the proposal also reduces the effectiveness of the credit for encouraging work effort. Under the proposal, many EITC recipients with earnings of less than $8,900 could receive a smaller EITC than in 1995. The reductions in the credit rate would also adversely affect those who are currently outside the workforce, but who are choosing between work and welfare.

The Treasury Department estimates that 14 million EITC recipients would have their taxes raised by these proposals. Of these 14 million, 10 million would be workers with children. About 8 million EITC recipients with two or more children would lose, on average, $305 in 1996. About 2 million very low-wage workers with only one child would lose, on average, $137 relative to current law. (See Figure 5 and attached table.)

The budget resolution also assumes the repeal of the EITC for 4 million very low-wage workers who do not reside with qualifying children. The OBRA 1993 expansion of the EITC for these workers was designed to help offset the work disincentive effects of the social security tax. If repealed, these workers will lose up to $324 in 1996. At the poverty level ($8,200 in 1996 for a single individual under age 65), a single taxpayer would have a combined income and social security tax liability of $1,394 (including $240 of income tax liability prior to the receipt of the EITC and including both the employee and employer portions of social security taxes). Under the proposal, this taxpayer's tax liability would increase by $101. On average, low-wage workers who do not reside with qualifying children would incur a tax increase of about $173 in 1996.

2. S. 899

Last week, Senators Roth, Nickles, and Pressler introduced a bill (S. 899) to reduce the EITC. S. 899 adopts many of the proposals assumed in the Senate budget resolution. However, it would reduce the EITC far more deeply than was considered in the resolution. According to Treasury estimates, S. 899 would reduce the EITC by $37 billion between FY 1996 and 2000 and $66 billion between FY 1996 and 2002.

Under S. 899, indexation of the EITC would be repealed. As a consequence of the repeal of indexation and the lowering of the credit rates, EITC recipients would be entitled to a maximum tax credit of $3,024 in 1996, a reduction of $536 relative to current law. The maximum tax credit amount would not change after 1996. By 2000, the maximum credit amount would be reduced by $1,016 -- or 25 percent -- relative to current law.

Indexation is necessary to ensure that taxpayers do not lose eligibility for the EITC. Under current law, an estimated 16.7 million taxpayers with children will claim the EITC in 1996. If benefit thresholds are not adjusted for inflation, participation would shrink to 14.8 million by 2000.

Eliminating indexation does not address the issue of non-compliance at all. Instead, it denies eligibility and reduces the EITC for millions of taxpayers who work hard, pay their taxes, and play by the rules. A number of tax provisions are indexed for inflation each year. These include the personal exemption, standard deduction amount, the width of the income tax brackets, the phase-out ranges for the personal exemption and deduction amounts, and the social security earnings ceiling. It is inappropriate to suspend indexation on the one provision which is solely targeted to low-income taxpayers.

S. 899 would also limit eligibility for the EITC by adding new restrictions on the amounts and types of income held by recipients. The investment income cap would be lowered from $2,350 to $1,000. Net capital gains and passive partnership and estate income would also be added to the investment income cap. We would have serious reservations about lowering the investment income cap from $2,350 to $1,000.

The bill's sponsors argue that at prevailing interest rates, it is inappropriate to provide the EITC to taxpayers with assets which can generate a $1,000 of investment income. While we agree that taxpayers with large amounts of assets should not receive the EITC, we view the $1,000 investment income cap as too restrictive. Low and moderate-income families should be encouraged to save for down-payments on homes, start-up capital for businesses of their own, their children's education or their own retraining. For example, the median price for a home purchased in 1994 by a first-time homeowner was $125,000, with an average downpayment of 13.7 percent of the price (or $17,125), while the costs of a four-year education at a typical state university exceeded $25,000. Under the proposal, the EITC would be denied to many families saving for these investments in their futures unless they liquidated their savings or shifted their investments to exempted assets.

S. 899 would also restrict eligibility for the EITC by expanding the definition of income. For purposes of determining eligibility for the EITC, adjusted gross income would be expanded to include non-taxable social security benefits, child support payments, non-taxable pension income, and tax-exempt interest. We are very concerned about proposals to expand adjusted gross income to include these items.

S. 899 would effectively impose an additional tax on social security benefits of taxpayers who qualify for the EITC. The EITC would be reduced by up to 20 cents for each additional dollar of social security benefits. Low-income elderly workers with children could be subject to higher taxes on social security benefits than some of their better-off neighbors. In part, a portion of workers' social security benefits (as well as non-taxable pension income) represent the return of their own contributions from previously taxed income. The proposal could affect non-elderly workers with young children, too. The EITC would be reduced or eliminated for a low-wage worker whose disabled spouse receives disability insurance benefits. Reducing the EITC benefits of social security recipients could also compound the work disincentives already present in the social security programs.

The tax system does not count child support as income to the custodial parent because child support payments are a continuation of the other parent's obligation to support his or her child. Custodial parents should be encouraged to seek child support, rather than being penalized for obtaining it. As a result, we have serious reservations about this provision as well. This provision would also add complexity to the determination of EITC eligibility and would be difficult to verify. In particular, the IRS does not currently receive information about child support payments.

In combination, these proposals would raise taxes on 19 million taxpayers, on average, by $602 in 2000 (measured at 1996 income levels). Taxpayers with two or more children would be most adversely affected by these provisions. For eight million taxpayers with two or more children, the EITC would be reduced, on average, by $886 in 2000 (measured at 1996 income levels).

The Administration is committed to improving compliance with the EITC rules. Its actions in the last two years are clear evidence of this commitment. The compliance problems which the Administration is addressing should not be used as an excuse to eliminate or reduce the EITC to all low-income working people. Consequently, the Administration strongly opposes proposals to eliminate indexation or to add complexity to the EITC eligibility criteria.

3. New Initiatives

The Administration is committed to taking additional steps to improve the administration of the EITC beyond the steps which have been taken or proposed in this year's budget. We would be particularly interested in exploring with Congress legislative proposals to improve the ability of the IRS to verify eligibility for the EITC.

First, we are announcing our intention to send to Congress a new legislative proposal which would provide the IRS with additional authority to prevent the payment of problematic refunds. We will propose that the IRS be authorized to use simplified procedures to reduce the amount of a taxpayer's EITC by the amount of unpaid self-employment taxes shown, either directly or indirectly, as being due with the return. Under this approach, taxpayers would have 60 days in which they could either demonstrate that they did not owe social security taxes on reported income or request that the IRS follow the current-law deficiency procedures. If a taxpayer failed to respond within this period, he or she would be required to refile with correct information on earnings and social security tax liabilities in order to obtain the EITC.

This proposal will ensure that taxpayers pay social security taxes on self-employment income which is also applicable toward their EITC. This proposal would reduce the incentive for taxpayers to over-state income in order to appear eligible for a larger EITC. While there is no conclusive evidence at this time of widespread EITC abuse by self-employed taxpayers, we recognize that the credit structure could lead to such problems in the future. This proposal is designed to deter this potential problem. We will also continue to carefully monitor this issue to determine the scope and nature of any potential or actual abuse.

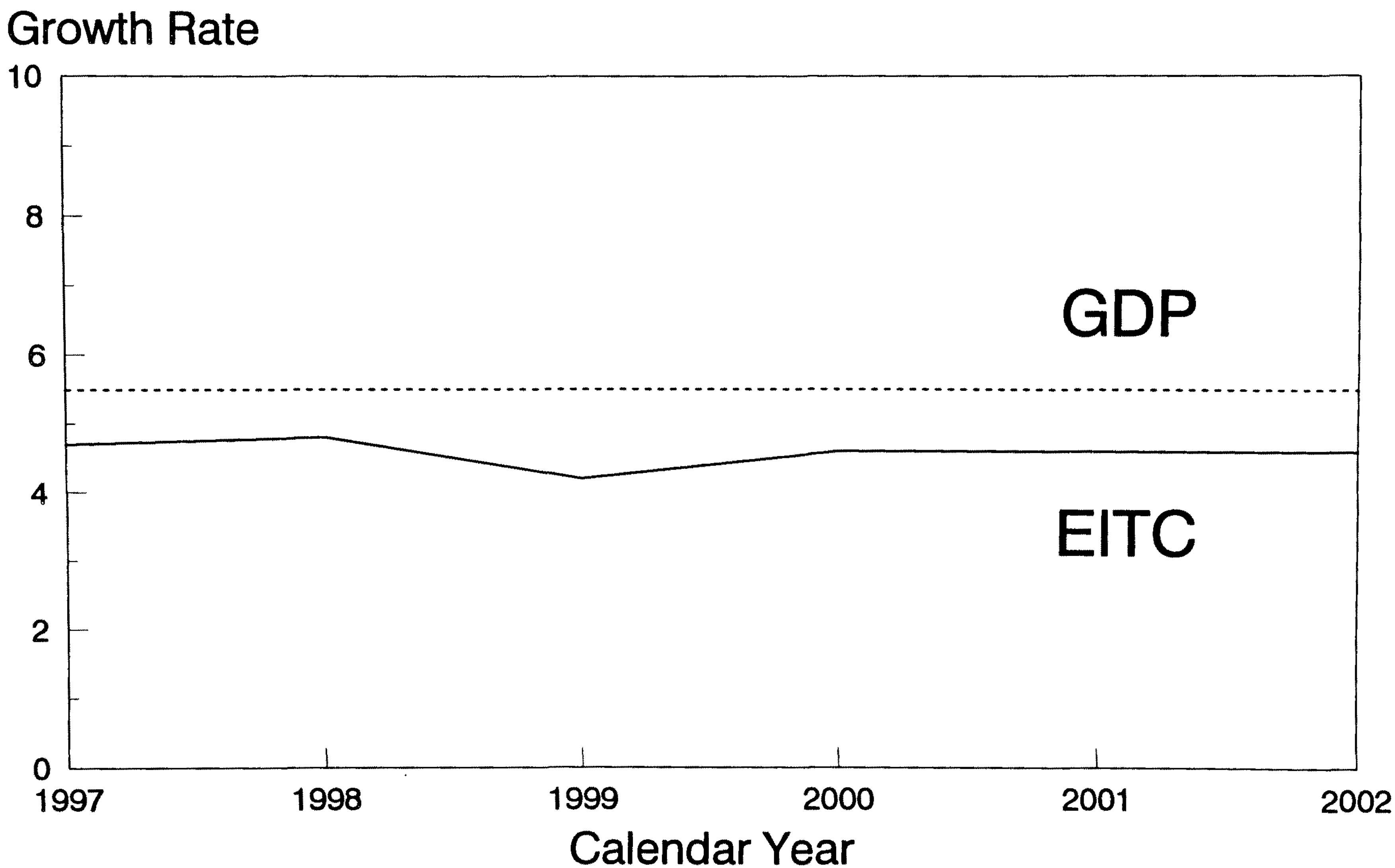
Second, we are beginning a study to examine the benefits and costs of improving information-sharing between the IRS and States. The study will build on existing IRS efforts to improve information-sharing with State agencies. For example, during the past year, the IRS has been working with the State of California to determine whether wage data from the unemployment compensation system can assist the IRS in validating EITC claims. The new study will examine whether information from State welfare agencies would be useful in determining whether an EITC qualifying child was claimed by the appropriate taxpayer. The study will determine if State data can be made available to the IRS in a timely and consistent manner, and whether changes in disclosure laws are required to facilitate data exchange.

We would also like to explore with the Subcommittees other options for improving the administration of the EITC. For example, reporting requirements for non-taxable earned income, which is used in the calculation of the EITC, could be enhanced.

* * * * *

This concludes my remarks. Thank you once again for providing me with the opportunity to testify. I would be pleased to answer any questions that the Subcommittees may have.

Figure 1: Growth in the EITC and GDP*
1997 - 2002



*Under current law and Administration's January budget assumptions

Figure 2: The Earned Income Tax Credit, 1995

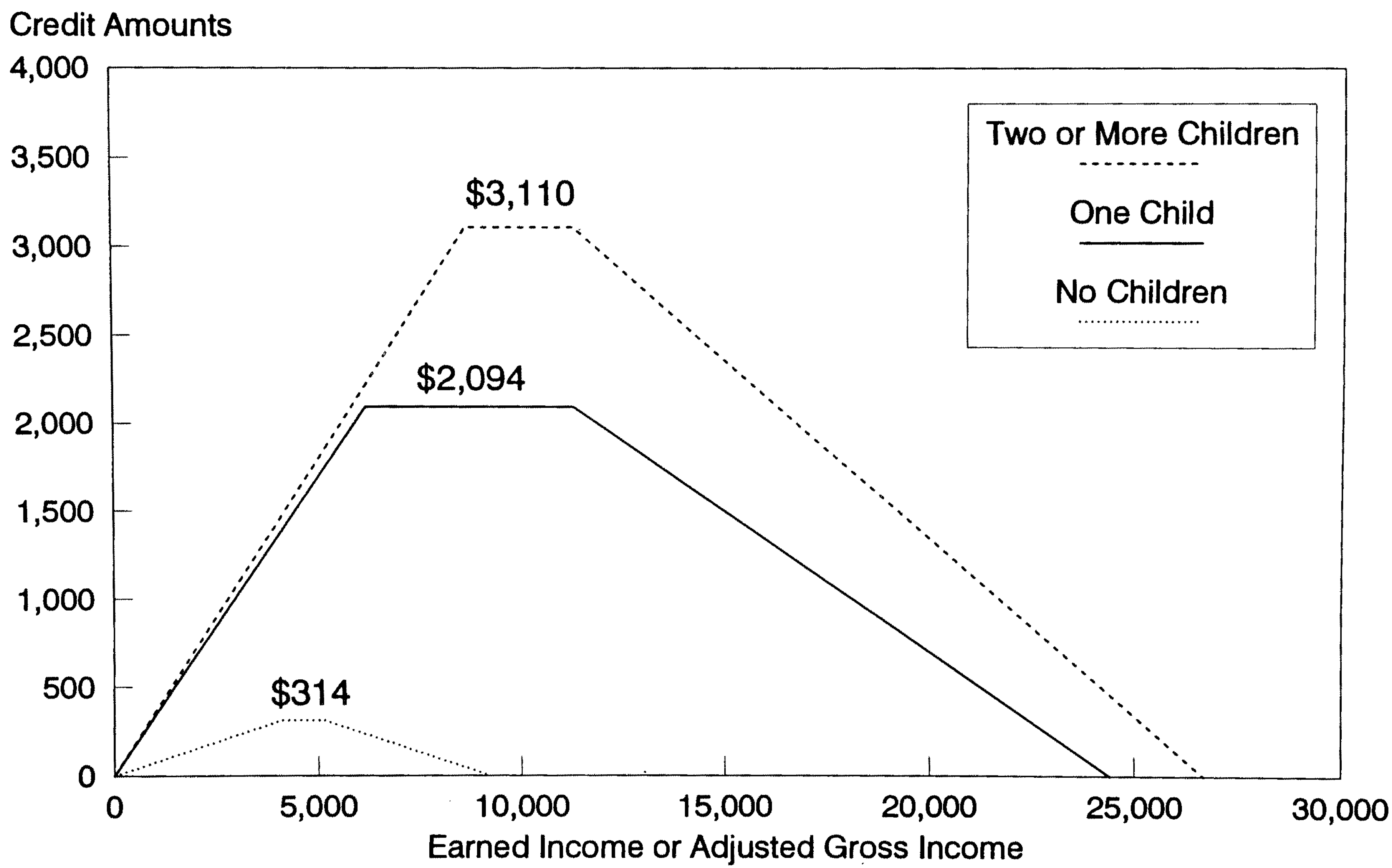


Figure 3: The Earned Income Tax Credit, 1996

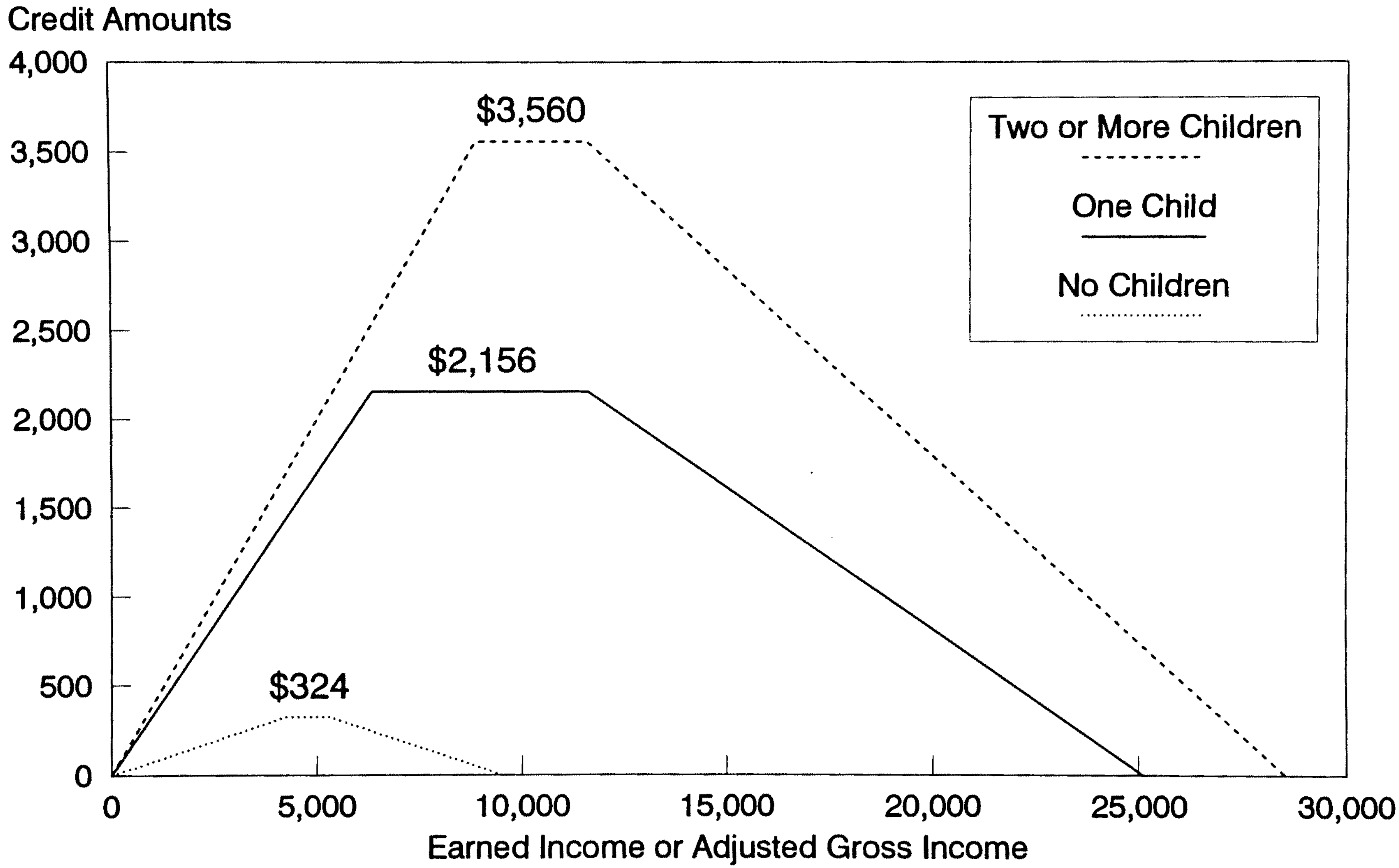
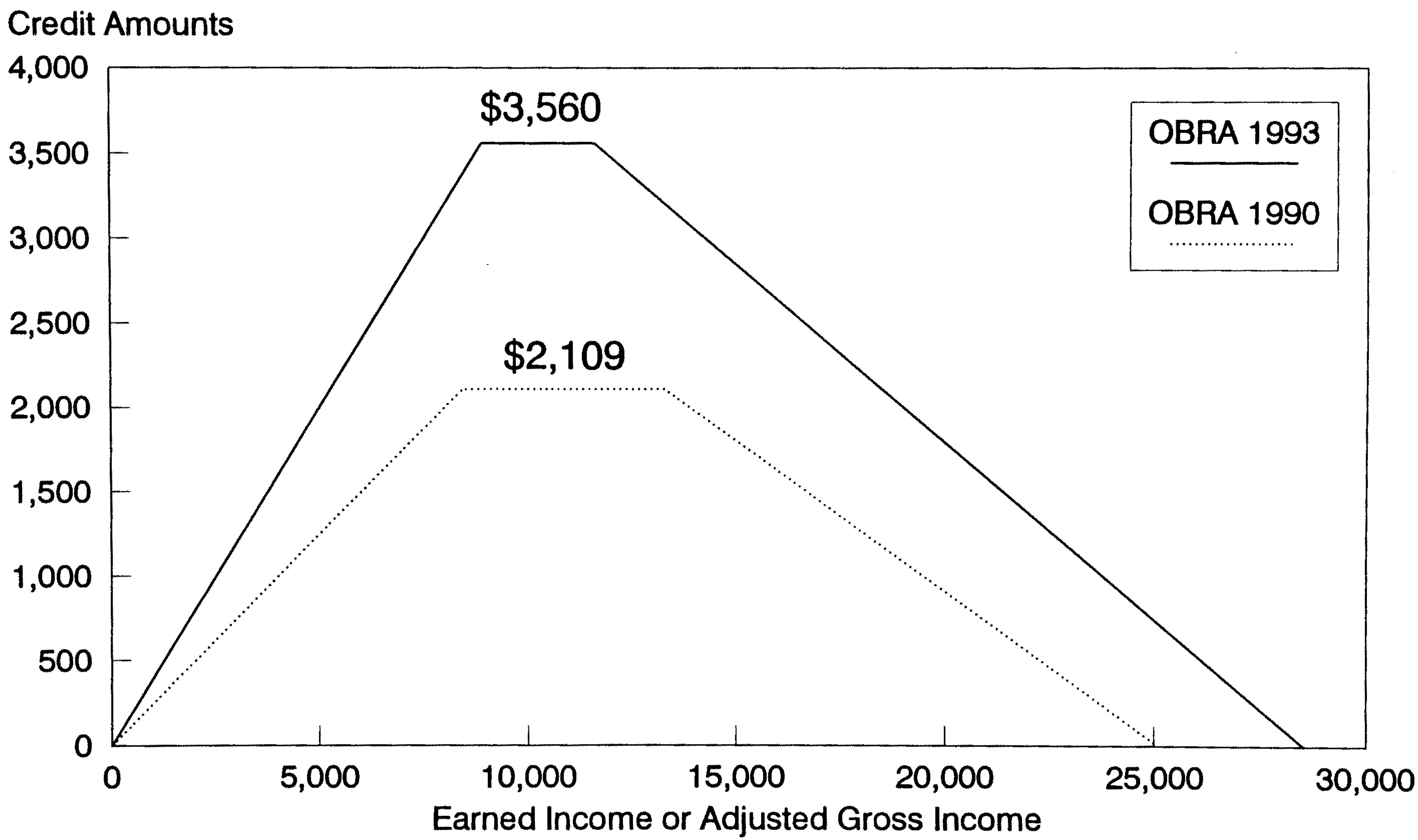


Figure 4: The Earned Income Tax Credit Under OBRA 1990 and OBRA 1993, Fully Phased In

Workers with Two or More Children, 1996 Dollars



Effect of Senate Proposals on EITC Recipients
1996 Income Levels

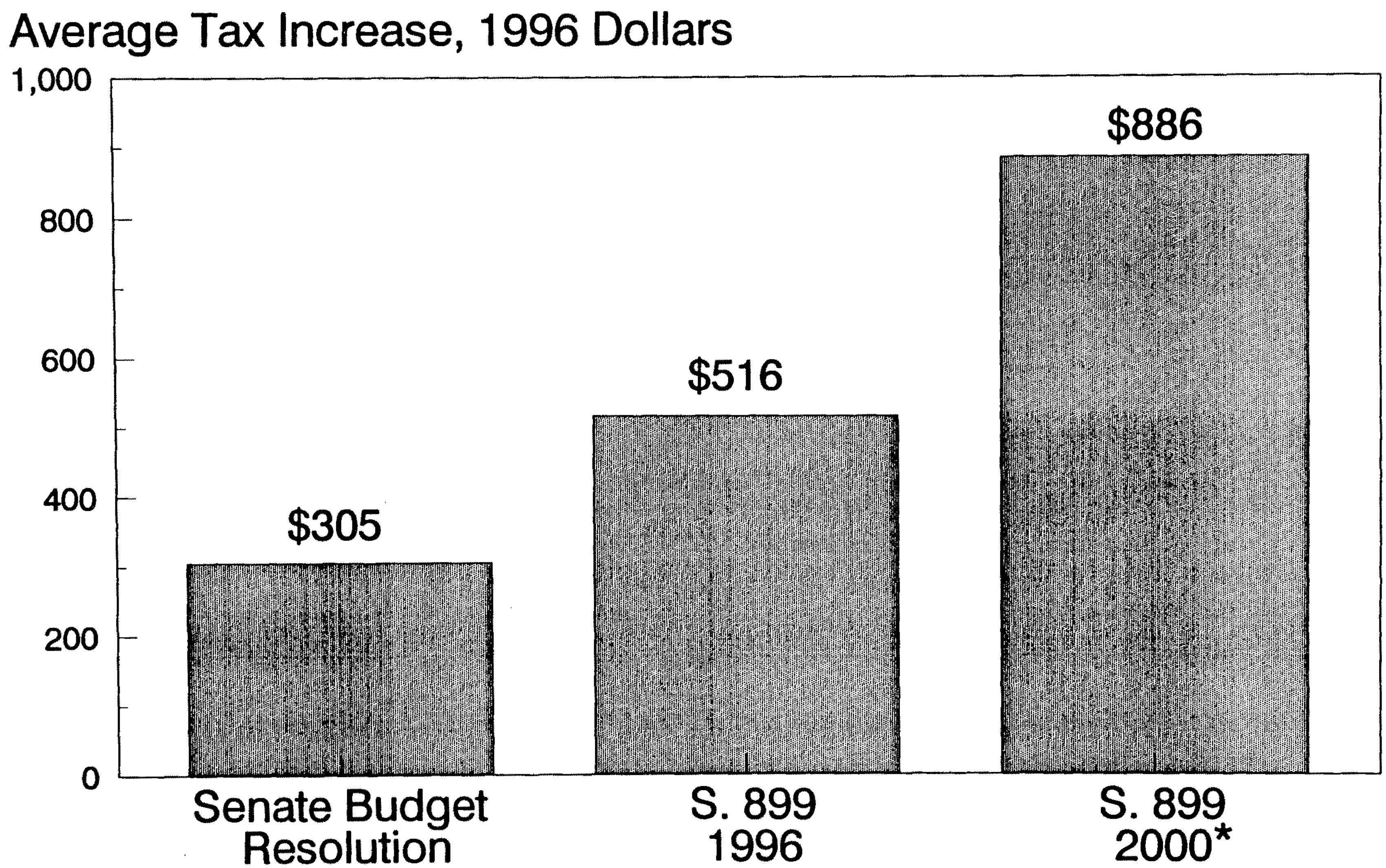
	Senate Budget Resolution	S. 899 1996	S. 899 2000 *
Total EITC Recipients			
Number of Affected Taxpayers	14 million	19 million	19 million
Average Tax Increase	$239	$311	$602
Taxpayers with Two or More Qualifying Children			
Number of Affected Taxpayers	8 million	8 million	8 million
Average Tax Increase	$305	$516	$886
Taxpayers with One Qualifying Child			
Number of Affected Taxpayers	2 million	7 million	7 million
Average Tax Increase	$137	$166	$563
Taxpayers without Qualifying Child			
Number of Affected Taxpayers	4 Million	4 Million	4 Million
Average Tax Increase	$173	$173	$173

Department of the Treasury
Office of Tax Analysis

June 12, 1995

* Estimate reflects effects of deindexation by the year 2000, estimated at 1996 income levels.

Figure 5: Effect of Senate Proposals on EITC Recipients with Two or More Children



*Estimate reflects effects of deindexation by the year 2000, estimated at 1996 income levels.

DEPARTMENT OF THE TREASURY

TREASURY NEWS

OFFICE OF PUBLIC AFFAIRS • 1500 PENNSYLVANIA AVENUE, N.W. • WASHINGTON, D.C. • 20220 • (202) 622-2960

FOR DELIVERY AT 10:00 A.M.
June 15, 1995

ORAL STATEMENT OF
LESLIE B. SAMUELS
ASSISTANT SECRETARY (TAX POLICY)
DEPARTMENT OF THE TREASURY
BEFORE THE
SUBCOMMITTEES ON OVERSIGHT AND HUMAN RESOURCES
UNITED STATES HOUSE OF REPRESENTATIVES

Chairman Johnson, Chairman Shaw, and Members of the Subcommittees:

I am pleased today to discuss the targeting of the earned income tax credit (EITC), as well as steps that are being taken to improve the EITC. Commissioner Richardson's testimony will address administrative matters more completely.

The Administration is strongly committed to the goals of the EITC, which are to make work pay and to lift workers out of poverty in the most efficient and administrable manner possible. With its message of "work pays," the EITC helps reduce dependency on welfare and increase reliance on jobs. This is why the EITC has been supported on a bipartisan basis during its 20-year history. During the 7-year period between 1986 and 1993, Congress voted to significantly expand the EITC in three major pieces of legislation under three Presidents -- the Tax Reform Act of 1986, OBRA 1990, and OBRA 1993.

In connection with developing the OBRA 1993 changes to the EITC, this Administration became aware of serious compliance problems with the EITC and committed itself to do everything in our power to improve compliance. That commitment has been aggressively demonstrated in both legislative proposals and unprecedented administrative actions. On the legislative side, OBRA 1993 repealed the two supplemental credits that added a great deal of complexity and were extremely difficult for the Internal Revenue Service to verify. Last year's Uruguay Round legislation contained a number of Administration proposals, including extending to all children the requirement that they be identified by their social security number (SSN) for EITC purposes. That legislation also denied the EITC to nonresident aliens and required the Defense Department to include on W-2s amounts of nontaxable earned income.

In addition, the IRS has taken bold administrative steps to address compliance issues. Commissioner Richardson will describe the more significant of these actions.

Early indications suggest that the steps we have taken in the last two years are working to reduce significantly EITC-related errors. Yet, there is more to be done, and our commitment to do so remains unwavering.

Several proposals to improve the targeting and administration of the EITC were included in the President's FY 1996 budget:

RR-374

- The proposal to deny the EITC to taxpayers having more than $2,500 of taxable interest and dividends was included, in modified form, in H.R. 831.

- Under a second budget proposal, only individuals who are authorized to work in the United States would be eligible for the EITC beginning in 1996.

- A third proposal would authorize the IRS to use simplified procedures to resolve questions about the validity of an SSN. Under this approach, taxpayers would have 60 days in which to either provide a correct SSN or request that the IRS follow the more labor intensive, current-law deficiency procedures. If a taxpayer failed to respond within this period, he or she would be required to refile with correct SSNs in order to obtain the EITC.

Today, we are proposing an additional change that would extend those simplified procedures to reducing EITC claims by self-employed individuals who fail to satisfy their self-employment tax liability. We welcome the opportunity to work with the Subcommittees to address areas of EITC noncompliance, just as we would like to work on addressing error rates in other areas that contribute to the overall tax gap.

During the past several months, some observers have suggested that the EITC is growing uncontrollably. To the contrary, the increases in the EITC have resulted from carefully considered actions by Congress to gradually phase in the 1990 and 1993 expansions over a period of years. Once the 1993 expansion is fully phased in in 1996, future growth will be slightly less than projected growth of gross domestic product.

Some claim that an appropriate response to compliance concerns is substantial across-the-board reductions in the EITC. While the House budget resolution does not assume reductions in the EITC, the Senate budget resolution assumes the EITC would be reduced, and <u>tax burdens</u> increased, for over 14 million working families. Working families with two or more children would be hit the hardest, with an average <u>tax increase</u> of $305 per year. Another proposal introduced in the Senate last week would result in even greater tax increases. We do not believe that raising taxes on millions of low-income working Americans is an appropriate response to the compliance concerns.

The Administration's commitment to improving the EITC has been demonstrated through more than a dozen legislative and administrative actions since early 1993. In taking these actions, we have been guided by the following four key goals:

(1) to make work pay for those who might otherwise be on welfare;

(2) to ensure that an individual who works full time throughout the year will not live in poverty;

(3) to target benefits to those with the greatest needs while minimizing distortions; and

(4) to make it easier for eligible individuals to claim the credit and for the IRS to verify their eligibility.

The design of the EITC under current law reflects a balance among these four goals. I would like to address briefly each of them individually.

First, for low-income families, the EITC makes work pay in two ways. Unlike many other assistance programs for low-income families, the EITC is limited to working families. Moreover, the credit amount initially increases -- rather than decreases -- for each additional dollar of earnings.

The positive link between the EITC and work can help offset the work disincentives created by other tax and transfer programs, such as social security taxes and food stamp benefits. The EITC, with its positive credit rate on low earnings, is the only program designed to help offset the marginal tax rates imposed by these other programs.

The expansion of the EITC in OBRA 1993 was designed to increase the effectiveness of the EITC as a work incentive. The increase in the credit rate will encourage non-workers to enter the workforce and other low-income workers to increase their hours of work. While the overall effect of the OBRA 1993 expansion cannot be measured yet, we believe that the legislation will, on net, increase work effort. Some workers with larger families will face slightly higher marginal rates as a result of OBRA 1993. However, they are unlikely to change their behavior much in response. These are individuals who are already very attached to the work force. They cannot easily adjust their hours of work in response to a small change in tax rates; they need both their jobs and the EITC to meet their day-to-day needs, and most employers will not allow them the discretion to work fewer hours. The effect of the higher marginal tax rates on some workers in the phase-out range will likely be far outweighed by the effect of the increase in the credit rate.

A second goal is to ensure that a person who works at a full-time job for the entire year will not live in poverty. To lift a family of four dependent on a full-time worker earning the minimum wage out of poverty would require a combination of food stamps, enactment of the President's proposal to increase the minimum wage, and the EITC.

Third, the benefits of the EITC should be targeted to families with the greatest needs and to those who can be best served by the positive incentives associated with the EITC. The credit rate is highest at very low earning levels where individuals are often making the critical step from welfare to work. Because larger families have greater needs than smaller families, taxpayers with two or more children are entitled to a larger EITC than taxpayers with one or no children. Also, by providing the EITC to families with incomes of up to $28,524 in 1996, the program provides modest relief from the effects of wage stagnation. We believe OBRA 1993 strikes an appropriate balance between encouraging increased work effort and minimizing the distortions resulting from the phase-out of the credit.

The fourth goal of the EITC is simplicity and verification. If eligibility rules are simple, taxpayers can more accurately claim the EITC and avoid costly errors. With simple and verifiable eligibility rules, the IRS can also better ensure that the EITC is paid only to taxpayers who are eligible for the credit. Consequently, we strongly urge that simplification be given great weight in evaluating any proposal.

The Administration evaluates other proposals to modify the EITC by the same criteria we apply to our own proposals. We are concerned that many of the options that may be considered in the coming months will not meet these criteria.

Under the Senate budget resolution, (1) the EITC for workers without qualifying children would be repealed, (2) the OBRA 1993 increases in the credit for families with children would be scaled back, and (3) the Administration's EITC compliance proposals from the FY 1996 budget would be adopted. We estimate that 14 million working Americans would be adversely affected. EITC recipients with two or more children would lose, on average, $305 in 1996.

A bill, S. 899, has been introduced in the Senate that would result in even more severe reductions of the EITC for millions of working families. In addition to the changes anticipated by the Senate budget resolution, the bill would repeal indexation of the EITC and would further limit eligibility for the EITC by adding new restrictions on the amounts and types of income received by claimants.

The combined effect of S. 899, once fully phased in in the year 2000, would be to reduce the EITC for 19 million taxpayers by $602 on average. The effects of both S. 899 and the Senate budget resolution are illustrated in the attached graph and table.

Indexation is necessary to ensure that taxpayers do not lose eligibility for the EITC. Under current law, an estimated 16.7 million taxpayers with children will claim the EITC in 1996. If benefit thresholds are not adjusted for inflation, participation would shrink to 14.8 million by 2000. Moreover, eliminating indexation does not address noncompliance issues. Consequently, the Administration strongly opposes proposals to eliminate indexation.

S. 899 would also limit eligibility for the EITC by adding new restrictions on the amounts and types of income held by recipients. For example, the investment income cap would be lowered from $2,350 to $1,000. We have serious reservations about this proposal since it discourages savings. Also, its complexity will increase error rates.

The bill would also restrict eligibility for the EITC by expanding the definition of income to include non-taxable social security benefits, child support payments, non-taxable pension income, and tax-exempt interest. We would have serious concerns about imposing an additional tax on social security benefits of taxpayers who qualify for the EITC. Low-income elderly workers with children could be subject to higher taxes on social security benefits than some of their better-off neighbors. The proposal could affect non-elderly workers with young children, too. The EITC would be reduced or eliminated for a low-wage worker whose disabled spouse receives disability insurance benefits.

The tax system does not count child support as income to the custodial parent because child support payments are a continuation of the other parent's obligation to support his or her child. Custodial parents should be encouraged to seek child support, rather than being penalized for obtaining it. Moreover, this change would be extremely difficult for the IRS to administer because it does not currently receive information about child support payments.

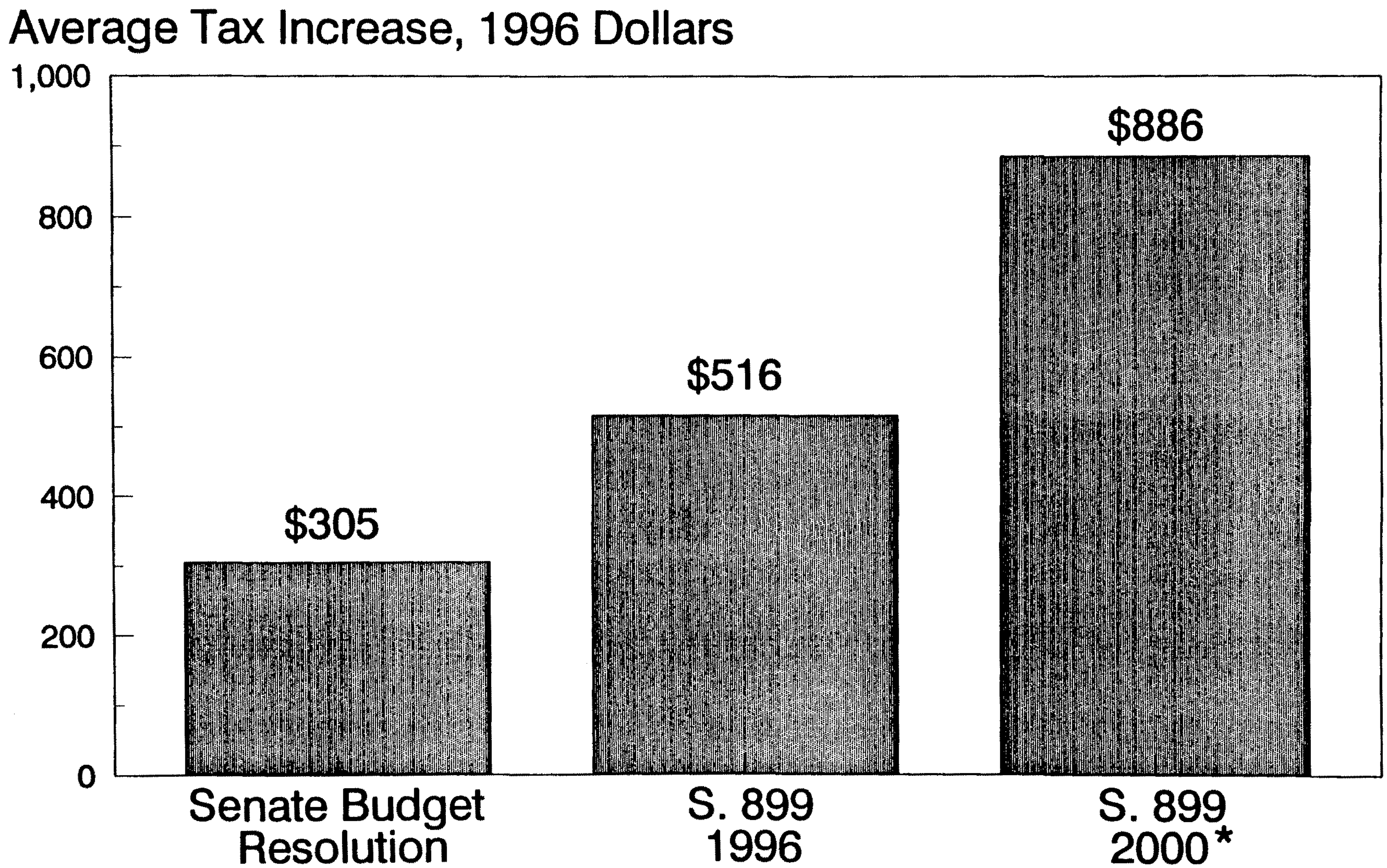
The Administration is committed to improving compliance with the EITC rules. Its significant actions in the last two years are clear evidence of this strong commitment. The compliance problems which the Administration is addressing should not be used as an excuse to eliminate or reduce the EITC benefits to millions of low-income working Americans who are playing by the rules.

Finally, my written statement contains additional areas of possible improvement we would like explore with the Subcommittees.

* * * *

This concludes my remarks. I would be pleased to answer any questions that the Committee may have.

Effect of Senate Proposals on EITC Recipients with Two or More Children



*Estimate reflects effects of deindexation by the year 2000, estimated at 1996 income levels.

Effect of Senate Proposals on EITC Recipients
1996 Income Levels

	Senate Budget Resolution	S. 899 1996	S. 899 2000 *
Total EITC Recipients			
Number of Affected Taxpayers	14 million	19 million	19 million
Average Tax Increase	$239	$311	$602
Taxpayers with Two or More Qualifying Children			
Number of Affected Taxpayers	8 million	8 million	8 million
Average Tax Increase	$305	$516	$886
Taxpayers with One Qualifying Child			
Number of Affected Taxpayers	2 million	7 million	7 million
Average Tax Increase	$137	$166	$563
Taxpayers without Qualifying Child			
Number of Affected Taxpayers	4 Million	4 Million	4 Million
Average Tax Increase	$173	$173	$173

Department of the Treasury
Office of Tax Analysis

June 12, 1995

* Estimate reflects effects of deindexation by the year 2000, estimated at 1996 income levels.

DEPARTMENT OF THE TREASURY

TREASURY NEWS

OFFICE OF PUBLIC AFFAIRS • 1500 PENNSYLVANIA AVENUE, N.W. • WASHINGTON, D.C. • 20220 • (202) 622-2960

FOR IMMEDIATE RELEASE
June 15, 1995

Contact: Scott Dykema
(202) 622-2960

MEDIA ADVISORY

A Treasury Department district-by-district study showing how the Senate budget plan would raise taxes on working families is now available. The study, "Tax Increases on Working Families Based on EITC Changes in the Senate Budget Resolution," analyzes the Senate budget plan to reduce the Earned Income Tax Credit (EITC) claimed by 14 million working Americans over the next seven years. The study may be obtained at the Department of the Treasury courier window at the 15th Street entrance or by calling the Office of Public Affairs at (202) 622-2960.

-30-

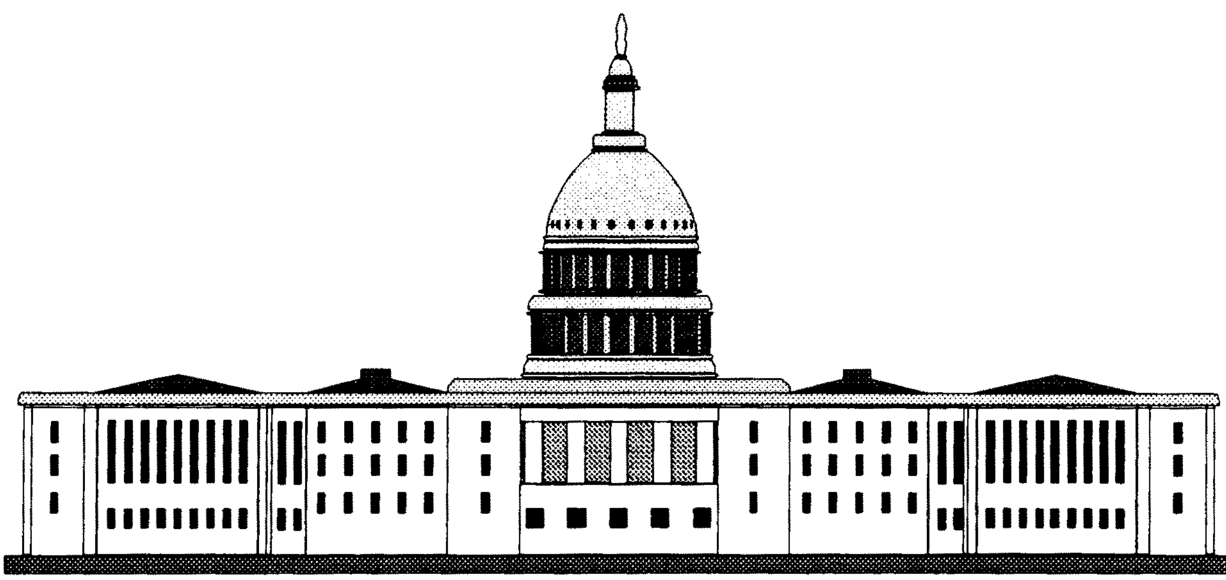
RR-375

LIBRARY ROOM 5310

Tax Increases on Working Families

Based On EITC Changes in the Senate Budget Resolution

June 15, 1995



Office of Economic Policy
Department of the Treasury

Table of Contents

Section I: Background

The Earned-Income Tax Credit

Program Description

- The EITC is a refundable tax credit provided only to those who work. By providing direct refunds from the IRS to working families, it is a non-bureaucratic way of encouraging work over welfare.

- By providing a tax credit to low and modest-income working families, the EITC helps ensure that those who work hard and play by the rules are not penalized.

- Under current law, in 1996 for every dollar a worker earns up to a limit, between 7 and 40 cents will be provided as a tax credit. Above a given level, the size of the tax credit is gradually reduced.

- Since the beginning, the EITC has had bipartisan support as a way to offset the tax burdens of low and modest-incomes families. Both President Reagan in 1986 and President Bush in 1990 expanded the credit.

- As part of the budget agreement of 1993, the EITC was expanded and simplified in order to bolster the incomes of families moving from welfare to work. The credit for very low-income working families with children was increased by 15 cents to 40 cents per dollar, effective in 1996. Additionally, the maximum credit was raised by nearly $1,500 and the EITC was extended to families with two or more children that have incomes under $28,524. Finally, a small tax credit was granted for the first time to very low-wage workers without qualifying children in order to offset the employee portion of Social Security taxes and thus make work more rewarding.

- In 1996, the EITC will assist over 21 million workers and their families by providing a tax credit averaging nearly $1,400. Working families with earnings of up to $28,524 per year may be eligible for the EITC.

- Some have cited the issue of error rates to justify deep cuts in the EITC. These statements are incorrect. The data usually used by those claiming extraordinarily high error rates are outdated and often misinterpreted. The Administration recognizes the potential problem that error rates can pose and has acted aggressively to reduce them.

The Earned-Income Tax Credit

Proposed Senate Tax Increase on Working Families

- The Senate budget resolution assumes that the EITC would be reduced by $21 billion between FY 1996 and FY 2002. In fact, Treasury finds that the Senate plan would result in $25 billion of reductions over the next seven years.

- The proposal repeals the final phase of the OBRA 1993 expansion, which is scheduled to occur on January 1, 1996. It also repeals the credit for workers who do not reside with qualifying children. Additionally, it reduces the credit rate for families with children.

- The resolution assumes enactment of the Administration's proposals to deny the EITC to undocumented workers and to allow the IRS to use simpler procedures when taxpayers fail to provide a valid Social Security number.

- About 10.0 million families with children and 4.4 million families without children would pay higher taxes as a result of this proposal.

- Families with two or more children would be the hardest hit. For example, the maximum credit would be reduced from current law by $445 in 1996. These recipients would lose on average $305 in 1996 alone.

- On average, the Senate budget resolution would reduce the EITC credit by $239 for 14.4 million families.

Estimated Distribution for Congressional Districts of EITC Changes in Senate Budget Proposal

This state-by-state and district-by-district analysis provides an estimate of tax increases on working families that would result from changes in the Earned Income Tax Credit (EITC), as recently passed by the Senate.

The distributions of recipients and amounts were derived as follows:

1. The Office of Tax Analysis, Department of the Treasury, estimated that for the United States as a whole 7.8 million families with two or more children, 2.2 million one-child families, and 4.4 million childless workers would be affected by the proposed changes.

2. For the seven-year period FY 1996 through FY 2002, the increase in tax liability was estimated as $22.8 billion for all EITC families, including $17.8 billion for families with children ($15.7 billion for families with two or more children) and $5.0 billion for childless workers. For FY 1996, the estimates were $3.4 billion for all EITC families, $2.7 billion for families with children ($2.4 billion for families with two or more children), and $0.8 billion for childless workers.

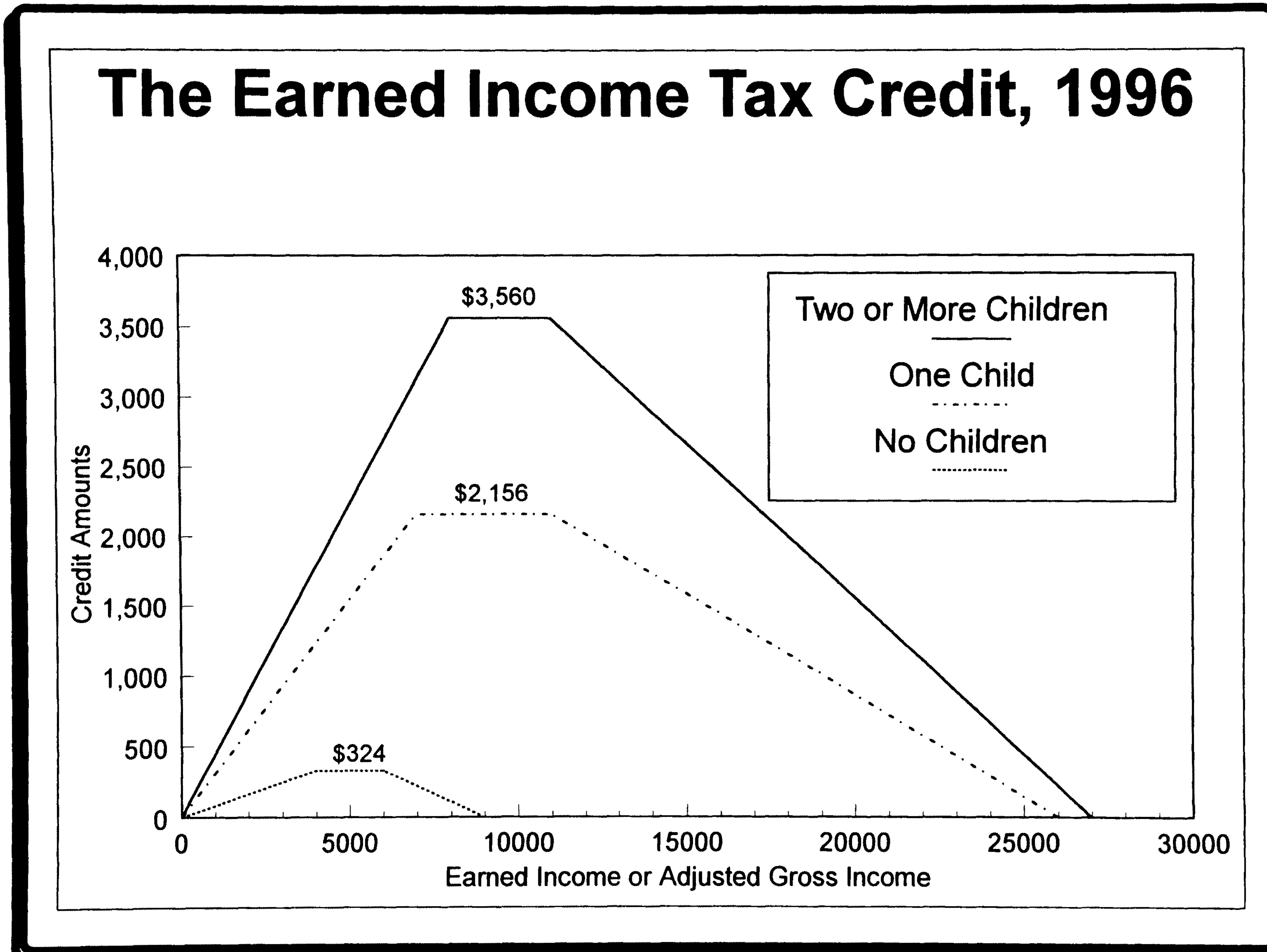
3. Both the number of returns and dollar amounts for childless workers were allocated across states according to the distributions of total EITC returns in tax year 1993, as reported in the Internal Revenue Service's *Statistics of Income Bulletin*. For families with children, the numbers of affected returns were allocated according to the same 1993 distribution of returns, and the dollar amounts were allocated according to the 1993 state distribution of EITC amounts.

4. The state totals were distributed across Congressional districts according to the proportion of the state's nonelderly (householder under 65) households with incomes under $25,000 residing in each district (as reported in the 1990 Census). District boundaries reflect redistricting changes for the 104th Congress.

Caveats: The results do not reflect provisions in the proposal which deny EITC benefits to undocumented workers and which simplify Internal Revenue Service procedures. These provisions are estimated to save an additional $2.9 billion over seven years.

State and district distributions of EITC tax increases are based on 1990 Census and 1993 tax return distributions, and so do not reflect subsequent differences in population and income growth rates.

The estimates of EITC families by Congressional district somewhat overstate the number of recipients in metropolitan districts and understate the number in rural districts. This is because the proportion of poor households with earnings is higher in rural areas.


The Earned Income Tax Credit, 1996
Two or More Children
One Child
No Children
$3,560
$2,156
$324
Credit Amounts
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
0
0
5000
10000
15000
20000
25000
30000
Earned Income or Adjusted Gross Income

Earned Income Tax Credit Parameters
1996

Plateau

	Credit Rate	Beginning Point	End Point	Maximum Credit	Phase-Out Rate	Income Cut-Off
CURRENT LAW						
Families With One Child	34.0%	$6,340	$11,620	$2,156	15.98%	$25,109
Families With Two or More Children.	40.0%	$8,900	$11,620	$3,560	21.06%	$28,524
Workers Without Children	7.65%	$4,230	$5,280	$324	7.65%	$9,510
REVISED SENATE BUDGET RESOLUTION						
Families With One Child	30.15%	$7,150	$11,620	$2,156	15.98%	$25,109
Families With Two or More Children	35.0%	$8,900	$11,620	$3,115	19.38%	$27,693

Department of the Treasury
Office of Tax Analysis

June 2, 1995

Section II: State-by-State Analysis

United States

State	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)	Amount per Taxpayer 1996: All Families	Amount per Taxpayer 1996: Two-Child Families
Alabama	365,109	$618	$256	$332
Alaska	18,350	25	203	246
Arizona	253,967	408	242	310
Arkansas	192,736	312	244	313
California	2,045,255	3,319	245	315
Colorado	165,022	254	233	294
Connecticut	79,861	115	217	269
Delaware	35,468	56	237	302
District of Columbia	48,005	77	241	309
Florida	863,418	1,398	244	314
Georgia	517,292	847	247	319
Hawaii	37,256	54	217	269
Idaho	60,481	94	235	299
Illinois	584,258	911	235	299
Indiana	265,332	410	233	295
Iowa	109,818	164	226	284
Kansas	109,568	165	228	286
Kentucky	217,386	336	233	296
Louisiana	377,394	619	248	319
Maine	54,607	81	224	280
Maryland	235,772	367	235	299
Massachusetts	168,653	248	222	277
Michigan	372,556	551	223	279
Minnesota	149,851	222	224	280
Mississippi	295,841	503	257	334
Missouri	276,512	428	233	296
Montana	44,574	67	228	288

United States

State	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)	Amount per Taxpayer 1996: All Families	Amount per Taxpayer 1996: Two-Child Families
Nebraska	72,451	$110	$230	$290
Nevada	78,518	121	232	294
New Hampshire	37,909	57	226	284
New Jersey	350,656	546	235	299
New Mexico	126,688	199	237	302
New York	848,073	1,309	233	295
North Carolina	508,628	826	245	315
North Dakota	26,521	40	228	287
Ohio	471,341	710	227	286
Oklahoma	202,241	315	235	299
Oregon	144,128	222	233	295
Pennsylvania	462,314	691	225	283
Rhode Island	37,532	57	230	290
South Carolina	293,588	485	249	322
South Dakota	36,641	56	232	294
Tennessee	358,464	570	240	307
Texas	1,451,419	2,361	245	316
Utah	80,257	125	234	297
Vermont	23,791	35	221	275
Virginia	319,789	509	240	307
Washington	210,948	317	227	285
West Virginia	95,270	146	231	292
Wisconsin	178,656	269	227	286
Wyoming	22,938	35	229	288
U.S. Total	*14,400,000*	*22,782*	*239*	*305*

Section III: District-by-District Analysis

Alabama

- **The Senate EITC proposal would increase taxes for 365,109 working families in Alabama by an average of $256 in 1996.**
- **For 197,083 families with two or more children, the average tax increase in 1996 would be $332.**

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	Sonny Callahan	52,502	$89
2	Terry Everett	50,517	86
3	Glen Browder	56,263	95
4	Tom Bevill	59,401	101
5	Bud Cramer	44,225	75
6	Spencer Bachus	37,299	63
7	Earl F. Hilliard	64,901	110
Total		*365,109*	*618*

Alaska

- The Senate EITC proposal would increase taxes for 18,350 working families in Alaska by an average of $203 in 1996.
- For 9,905 families with two or more children, the average tax increase in 1996 would be $246.

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
	Don Young	18,350	$25

Arizona

- The Senate EITC proposal would increase taxes for 253,967 working families in Arizona by an average of $242 in 1996.

- For 137,089 families with two or more children, the average tax increase in 1996 would be $310.

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	Matt Salmon	42,550	$68
2	Ed Pastor	54,192	87
3	Bob Stump	36,036	58
4	John Shadegg	35,660	57
5	Jim Kolbe	45,002	72
6	J.D. Hayworth	40,526	65
Total		*253,967*	*408*

Arkansas

- The Senate EITC proposal would increase taxes for 192,736 working families in Arkansas by an average of $244 in 1996.
- For 104,037 families with two or more children, the average tax increase in 1996 would be $313.

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	Blanche Lambert Lincoln	54,230	$88
2	Ray Thornton	41,838	68
3	Tim Hutchinson	47,876	77
4	Jay Dickey	48,792	79
Total		*192,736*	*312*

California

- The Senate EITC proposal would increase taxes for 2,045,255 working families in California by an average of $245 in 1996.

- For 1,104,012 families with two or more children, the average tax increase in 1996 would be $315.

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	Frank Riggs	49,035	$80
2	Wally Herger	63,869	104
3	Vic Fazio	51,630	84
4	John T. Doolittle	36,567	59
5	Robert T. Matsui	57,317	93
6	Lynn Woolsey	31,679	51
7	George Miller	34,271	56
8	Nancy Pelosi	58,547	95
9	Ronald V. Dellums	60,906	99
10	Bill Baker	15,708	25
11	Richard W. Pombo	43,888	71
12	Tom Lantos	20,106	33
13	Fortney Pete Stark	23,045	37
14	Anna G. Eshoo	20,510	33
15	Norman Y. Mineta	18,392	30
16	Zoe Lofgren	26,894	44
17	Sam Farr	38,263	62
18	Gary A. Condit	51,161	83
19	George P. Radanovich	53,187	86
20	Calvin M. Dooley	61,931	100
21	William M. Thomas	51,110	83
22	Andrea H. Seastrand	41,171	67
23	Elton Gallegly	23,305	38
24	Anthony C. Beilenson	22,168	36
25	Howard P. (Buck) McKeon	21,267	35
26	Howard L. Berman	42,250	69
27	Carlos J. Moorhead	39,444	64
28	David Dreier	23,098	37
29	Henry A. Waxman	56,670	92
30	Xavier Becerra	66,011	107

California

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
31	Matthew G. Martinez	40,252	$65
32	Julian C. Dixon	59,510	97
33	Lucille Roybal-Allard	60,569	98
34	Esteban Edward Torres	27,549	45
35	Maxine Waters	57,881	94
36	Jane Harman	24,851	40
37	Walter R. Tucker III	46,837	76
38	Steve Horn	43,634	71
39	Ed Royce	18,697	30
40	Jerry Lewis	49,203	80
41	Jay Kim	26,024	42
42	George E. Brown, Jr.	41,226	67
43	Ken Calvert	32,453	53
44	Sonny Bono	45,991	75
45	Dana Rohrabacher	25,971	42
46	Robert K. Dornan	30,332	49
47	Christopher Cox	18,124	29
48	Ron Packard	26,073	42
49	Brian P. Bilbray	50,783	82
50	Bob Filner	51,350	83
51	Randy (Duke) Cunningham	22,478	36
52	Duncan Hunter	42,069	68
Total		*2,045,255*	*3,319*

Colorado

- The Senate EITC proposal would increase taxes for 165,022 working families in Colorado by an average of $233 in 1996.
- For 89,077 families with two or more children, the average tax increase in 1996 would be $294.

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	Patricia Schroeder	38,442	$59
2	David E. Skaggs	21,845	34
3	Scott McInnis	32,994	51
4	Wayne Allard	30,115	46
5	Joel Hefley	22,898	35
6	Dan Schaefer	18,729	29
Total		*165,022*	*254*

Connecticut

- **The Senate EITC proposal would increase taxes for 79,861 working families in Connecticut by an average of $217 in 1996.**
- **For 43,108 families with two or more children, the average tax increase in 1996 would be $269.**

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	Barbara B. Kennelly	15,597	22
2	Sam Gejdenson	15,339	22
3	Rosa L. DeLauro	14,528	21
4	Christopher Shays	11,379	16
5	Gary A. Franks	12,132	17
6	Nancy L. Johnson	10,885	16
Total		*79,861*	*115*

Delaware

- The Senate EITC proposal would increase taxes for 35,468 working families in Delaware by an average of $237 in 1996.
- For 19,146 families with two or more children, the average tax increase in 1996 would be $302.

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
	Michael N. Castle	35,468	$56

District of Columbia

- **The Senate EITC proposal would increase taxes for 48,005 working families in the District of Columbia by an average of $241 in 1996.**

- **For 25,913 families with two or more children, the average tax increase in 1996 would be $309.**

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
	Eleanor Holmes Norton	48,005	$77

Florida

- The Senate EITC proposal would increase taxes for 863,418 working families in Florida by an average of $244 in 1996.
- For 466,066 families with two or more children, the average tax increase in 1996 would be $314.

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	Joe Scarborough	43,494	$70
2	Pete Peterson	48,755	79
3	Corrine Brown	53,247	86
4	Tillie K. Fowler	31,856	52
5	Karen L. Thurman	49,258	80
6	Cliff Stearns	37,122	60
7	John L. Mica	30,822	50
8	Bill McCollum	33,669	55
9	Michael Bilirakis	32,518	53
10	C.W. Bill Young	45,837	74
11	Sam Gibbons	47,411	77
12	Charles T. Canady	39,534	64
13	Dan Miller	30,863	50
14	Porter J. Goss	25,762	42
15	Dave Weldon	30,636	50
16	Mark Adam Foley	26,716	43
17	Carrie P. Meek	46,540	75
18	Ileana Ros-Lehtinen	42,458	69
19	Harry A. Johnston	20,428	33
20	Peter Deutsch	25,075	41
21	Lincoln Diaz-Balart	30,096	49
22	E. Clay Shaw, Jr.	43,101	70
23	Alcee L. Hastings	48,219	78
Total		*863,418*	*1,398*

Georgia

- The Senate EITC proposal would increase taxes for 517,292 working families in Georgia by an average of $247 in 1996.

- For 279,230 families with two or more children, the average tax increase in 1996 would be $319.

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	Jack Kingston	52,193	$86
2	Sanford Bishop	65,070	107
3	Mac Collins	38,482	63
4	John Linder	32,200	53
5	John Lewis	60,224	99
6	Newt Gingrich	24,223	40
7	Bob Barr	43,829	72
8	Saxby Chambliss	51,301	84
9	Nathan Deal	47,788	78
10	Charlie Norwood	48,717	80
11	Cynthia A. McKinney	53,265	87
Total		*517,292*	*847*

Hawaii

- The Senate EITC proposal would increase taxes for 37,256 working families in Hawaii by an average of $217 in 1996.

- For 20,110 families with two or more children, the average tax increase in 1996 would be $269.

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	Neil Abercrombie	17,614	$25
2	Patsy T. Mink	19,641	28
Total		*37,256*	*54*

Idaho

- The Senate EITC proposal would increase taxes for 60,481 working families in Idaho by an average of $235 in 1996.
- For 32,647 families with two or more children, the average tax increase in 1996 would be $299.

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	Helen Chenoweth	31,076	$48
2	Michael D. Crapo	29,405	46
Total		*60,481*	*94*

Illinois

- **The Senate EITC proposal would increase taxes for 584,258 working families in Illinois by an average of $235 in 1996.**
- **For 315,378 families with two or more children, the average tax increase in 1996 would be $299.**

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	Bobby L. Rush	40,598	$63
2	Mel Reynolds	28,502	44
3	William O. Lipinski	17,572	27
4	Luis V. Gutierrez	39,322	61
5	Michael Patrick Flanagan	30,146	47
6	Henry J. Hyde	11,241	18
7	Cardiss Collins	42,026	66
8	Philip M. Crane	11,204	17
9	Sidney R. Yates	34,895	54
10	John Edward Porter	11,092	17
11	Jerry Weller	23,761	37
12	Jerry F. Costello	41,857	65
13	Harris W. Fawell	9,238	14
14	J. Dennis Hastert	18,660	29
15	Thomas W. Ewing	39,472	62
16	Donald Manzullo	25,189	39
17	Lane Evans	41,428	65
18	Ray LaHood	32,962	51
19	Glenn Poshard	45,575	71
20	Richard J. Durbin	39,519	62
Total		*584,258*	*911*

Indiana

- The Senate EITC proposal would increase taxes for 265,332 working families in Indiana by an average of $233 in 1996.

- For 143,224 families with two or more children, the average tax increase in 1996 would be $295.

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	Peter J. Visclosky	22,173	$34
2	David M. McIntosh	30,328	47
3	Timothy J. Roemer	24,677	38
4	Mark E. Souder	22,977	35
5	Steve Buyer	26,294	41
6	Dan Burton	15,590	24
7	John T. Myers	26,883	42
8	John N. Hostettler	32,180	50
9	Lee H. Hamilton	28,524	44
10	Andrew Jacobs, Jr.	35,706	55
Total		*265,332*	*410*

Iowa

- The Senate EITC proposal would increase taxes for 109,818 working families in Iowa by an average of $226 in 1996.
- For 59,279 families with two or more children, the average tax increase in 1996 would be $284.

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	James A. Leach	19,806	$30
2	Jim Nussle	22,550	34
3	Jim Lightfoot	23,525	35
4	Greg Ganske	20,345	30
5	Tom Latham	23,592	35
Total		*109,818*	*164*

Kansas

- **The Senate EITC proposal would increase taxes for 109,568 working families in Kansas by an average of $228 in 1996.**
- **For 59,144 families with two or more children, the average tax increase in 1996 would be $286.**

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	Pat Roberts	32,667	$49
2	Sam Brownback	30,021	45
3	Jan Meyers	20,494	31
4	Todd Tiahrt	26,386	40
Total		*109,568*	*165*

Kentucky

- **The Senate EITC proposal would increase taxes for 217,386 working families in Kentucky by an average of $233 in 1996.**

- **For 117,343 families with two or more children, the average tax increase in 1996 would be $296.**

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	Ed Whitfield	39,355	$61
2	Ron Lewis	35,071	54
3	Mike Ward	31,707	49
4	Jim Bunning	29,802	46
5	Harold Rogers	47,738	74
6	Scotty Baesler	33,713	52
Total		*217,386*	*336*

Louisiana

- **The Senate EITC proposal would increase taxes for 377,394 working families in Louisiana by an average of $248 in 1996.**
- **For 203,714 families with two or more children, the average tax increase in 1996 would be $319.**

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	Bob Livingston	43,645	$72
2	William J. Jefferson	63,644	104
3	W.J. (Billy) Tauzin	49,729	82
4	Cleo Fields	62,846	103
5	Jim McCrery	52,879	87
6	Richard H. Baker	48,455	80
7	James A. Hayes	56,196	92
Total		*377,394*	*619*

Maine

- The Senate EITC proposal would increase taxes for 54,607 working families in Maine by an average of $224 in 1996.

- For 29,477 families with two or more children, the average tax increase in 1996 would be $280.

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	James B. Longley. Jr.	23,489	$35
2	John Elias Baldacci	31,118	46
Total		*54,607*	*81*

Maryland

- The Senate EITC proposal would increase taxes for 235,772 working families in Maryland by an average of $235 in 1996.
- For 127,268 families with two or more children, the average tax increase in 1996 would be $299.

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	Wayne T. Gilchrest	35,021	$55
2	Robert L. Ehrlich, Jr.	23,081	36
3	Benjamin L. Cardin	35,830	56
4	Albert R. Wynn	26,956	42
5	Steny H. Hoyer	16,673	26
6	Roscoe G. Bartlett	31,996	50
7	Kweisi Mfume	57,989	90
8	Constance A. Morella	8,226	13
Total		*235,772*	*367*

Massachusetts

- The Senate EITC proposal would increase taxes for 168,653 working families in Massachusetts by an average of $222 in 1996.

- For 91,038 families with two or more children, the average tax increase in 1996 would be $277.

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	John W. Olver	20,828	$31
2	Richard E. Neal	18,670	27
3	Peter I. Blute	16,099	24
4	Barney Frank	15,520	23
5	Martin T. Meehan	13,223	19
6	Peter G. Torkildsen	13,828	20
7	Edward J. Markey	12,649	19
8	Joseph P. Kennedy II	27,799	41
9	John Joseph Moakley	15,486	23
10	Gerry E. Studds	14,552	21
Total		*168,653*	*248*

Michigan

- The Senate EITC proposal would increase taxes for 372,556 working families in Michigan by an average of $223 in 1996.
- For 201,102 families with two or more children, the average tax increase in 1996 would be $279.

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	Bart Stupak	33,206	$49
2	Peter Hoekstra	24,041	36
3	Vernon J. Ehlers	21,500	32
4	Dave Camp	28,346	42
5	James A. Barcia	28,476	42
6	Fred Upton	26,714	39
7	Nick Smith	23,556	35
8	Dick Chrysler	19,464	29
9	Dale E. Kildee	22,546	33
10	David E. Bonior	15,706	23
11	Joe Knollenberg	6,985	10
12	Sander M. Levin	13,797	20
13	Lynn N. Rivers	19,274	28
14	John Conyers Jr.	29,624	44
15	Barbara-Rose Collins	42,530	63
16	John D. Dingell	16,792	25
Total		*372,556*	*551*

Minnesota

- The Senate EITC proposal would increase taxes for 149,851 working families in Minnesota by an average of $224 in 1996.

- For 80,889 families with two or more children, the average tax increase in 1996 would be $280.

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	Gil Gutknecht	19,039	$28
2	David Minge	18,836	28
3	Jim Ramstad	11,062	16
4	Bruce F. Vento	19,309	29
5	Martin Olav Sabo	25,409	38
6	William P. Luther	10,445	15
7	Collin C. Peterson	23,491	35
8	James L. Oberstar	22,260	33
Total		*149,851*	*222*

Mississippi

- The Senate EITC proposal would increase taxes for 295,841 working families in Mississippi by an average of $257 in 1996.

- For 159,693 families with two or more children, the average tax increase in 1996 would be $334.

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	Roger F. Wicker	59,242	$101
2	Bennie G. Thompson	62,999	107
3	G.V. Montgomery	56,602	96
4	Mike Parker	59,943	102
5	Gene Taylor	57,055	97
Total		*295,841*	*503*

Missouri

- The Senate EITC proposal would increase taxes for 276,512 working families in Missouri by an average of $233 in 1996.
- For 149,259 families with two or more children, the average tax increase in 1996 would be $296.

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	William Clay	33,118	$51
2	James M. Talent	10,734	17
3	Richard A. Gephardt	24,290	38
4	Ike Skelton	34,778	54
5	Karen McCarthy	31,885	49
6	Pat Danner	29,094	45
7	Mel Hancock	38,977	60
8	Bill Emerson	42,962	66
9	Harold L. Volkmer	30,673	47
Total		*276,512*	*428*

Montana

- The Senate EITC proposal would increase taxes for 44,574 working families in Montana by an average of $228 in 1996.
- For 24,061 families with two or more children, the average tax increase in 1996 would be $288.

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
	Pat Williams	44,574	$67

Nebraska

- The Senate EITC proposal would increase taxes for 72,451 working families in Nebraska by an average of $230 in 1996.
- For 39,108 families with two or more children, the average tax increase in 1996 would be $290.

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	Doug Bereuter	24,471	$37
2	Jon Christensen	19,986	30
3	Bill Barrett	27,994	43
Total		*72,451*	*110*

Nevada

- The Senate EITC proposal would increase taxes for 78,518 working families in Nevada by an average of $232 in 1996.
- For 42,384 families with two or more children, the average tax increase in 1996 would be $294.

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	John E. Ensign	42,405	$65
2	Barbara F. Vucanovich	36,113	56
Total		*78,518*	*121*

New Hampshire

- The Senate EITC proposal would increase taxes for 37,909 working families in New Hampshire by an average of $226 in 1996.
- For 20,463 families with two or more children, the average tax increase in 1996 would be $284.

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	Bill Zeliff	18,948	$28
2	Charles F. Bass	18,960	28
Total		*37,909*	*57*

New Jersey

- The Senate EITC proposal would increase taxes for 350,656 working families in New Jersey by an average of $235 in 1996.

- For 189,281 families with two or more children, the average tax increase in 1996 would be $299.

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	Robert E. Andrews	35,800	$56
2	Frank A. LoBiondo	40,016	62
3	Jim Saxton	19,470	30
4	Christopher H. Smith	30,760	48
5	Marge Roukema	10,868	17
6	Frank Pallone Jr.	23,556	37
7	Bob Franks	9,664	15
8	William J. Martini	28,064	44
9	Robert G. Torricelli	26,843	42
10	Donald M. Payne	53,247	83
11	Rodney P. Frelinghuysen	7,939	12
12	Dick Zimmer	9,923	15
13	Robert Menendez	54,506	85
Total		*350,656*	*546*

New Mexico

- **The Senate EITC proposal would increase taxes for 126,688 working families in New Mexico by an average of $237 in 1996.**

- **For 68,385 families with two or more children, the average tax increase in 1996 would be $302.**

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	Steven H. Schiff	39,831	$63
2	Joe Skeen	45,224	71
3	Bill Richardson	41,633	65
Total		*126,688*	*199*

New York

- The Senate EITC proposal would increase taxes for 848,073 working families in New York by an average of $233 in 1996.
- For 457,783 families with two or more children, the average tax increase in 1996 would be $295.

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	Michael P. Forbes	12,288	$19
2	Rick A. Lazio	7,612	12
3	Peter T. King	2,355	4
4	Daniel Frisa	5,337	8
5	Gary L. Ackerman	9,140	14
6	Floyd H. Flake	18,419	28
7	Thomas J. Manton	31,972	49
8	Jerrold Nadler	39,665	61
9	Charles E. Schumer	24,622	38
10	Edolphus Towns	41,990	65
11	Major R. Owens	38,139	59
12	Nydia M. Velázquez	44,357	68
13	Susan Molinari	21,068	33
14	Carolyn B. Maloney	29,456	45
15	Charles B. Rangel	51,277	79
16	José E. Serrano	54,811	85
17	Eliot L. Engel	36,667	57
18	Nita M. Lowey	14,546	22
19	Sue W. Kelly	10,686	16
20	Benjamin A. Gilman	12,139	19
21	Michael R. McNulty	29,219	45
22	Gerald B. H. Solomon	24,324	38
23	Sherwood L. Boehlert	34,583	53
24	John M. McHugh	36,595	56
25	James T. Walsh	29,489	46
26	Maurice D. Hinchey	30,449	47
27	Bill Paxon	22,436	35
28	Louise M. Slaughter	28,438	44
29	John J. LaFalce	32,452	50
30	Jack Quinn	35,819	55
31	Amo Houghton	37,721	58
Total		*848,073*	*1,309*

North Carolina

- The Senate EITC proposal would increase taxes for 508,628 working families in North Carolina by an average of $245 in 1996.
- For 274,553 families with two or more children, the average tax increase in 1996 would be $315.

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	Eva Clayton	57,416	$93
2	David Funderburk	40,548	66
3	Walter B. Jones, Jr.	46,116	75
4	Fred Heineman	33,819	55
5	Richard Burr	45,759	74
6	Howard Coble	35,070	57
7	Charlie Rose	42,879	70
8	W.G. Hefner	41,310	67
9	Sue Myrick	28,806	47
10	Cass Ballenger	38,123	62
11	Charles H. Taylor	47,455	77
12	Melvin L. Watt	51,326	83
Total		*508,628*	*826*

North Dakota

- The Senate EITC proposal would increase taxes for 26,521 working families in North Dakota by an average of $228 in 1996.

- For 14,316 families with two or more children, the average tax increase in 1996 would be $287.

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
	Earl Pomeroy	26,521	$40

Ohio

- **The Senate EITC proposal would increase taxes for 471,341 working families in Ohio by an average of $227 in 1996.**

- **For 254,426 families with two or more children, the average tax increase in 1996 would be $286.**

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	Steve Chabot	31,349	$47
2	Rob Portman	18,696	28
3	Tony P. Hall	24,698	37
4	Michael G. Oxley	25,352	38
5	Paul E. Gillmor	21,291	32
6	Frank A. Cremeans	33,667	51
7	David L. Hobson	22,219	33
8	John A. Boehner	21,016	32
9	Marcy Kaptur	25,096	38
10	Martin R. Hoke	23,006	35
11	Louis Stokes	33,794	51
12	John R. Kasich	25,236	38
13	Sherrod Brown	16,265	25
14	Thomas C. Sawyer	25,390	38
15	Deborah Pryce	24,674	37
16	Ralph Regula	24,510	37
17	James A. Traficant, Jr.	27,195	41
18	Robert W. Ney	31,973	48
19	Steven C. LaTourette	15,914	24
Total		*471,341*	*710*

Oklahoma

- The Senate EITC proposal would increase taxes for 202,241 working families in Oklahoma by an average of $235 in 1996.

- For 109,168 families with two or more children, the average tax increase in 1996 would be $299.

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	Steve Largent	30,437	$47
2	Tom A. Coburn	35,983	56
3	Bill K. Brewster	40,187	63
4	J.C. Watts, Jr.	30,966	48
5	Ernest J. Istook, Jr.	28,644	45
6	Frank D. Lucas	36,025	56
Total		*202,241*	*315*

Oregon

- The Senate EITC proposal would increase taxes for 144,128 working families in Oregon by an average of $233 in 1996.

- For 77,799 families with two or more children, the average tax increase in 1996 would be $295.

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	Elizabeth Furse	23,367	$36
2	Wes Cooley	32,423	50
3	Ron Wyden	30,335	47
4	Peter A. DeFazio	32,511	50
5	Jim Bunn	25,493	39
Total		*144,128*	*222*

Pennsylvania

- The Senate EITC proposal would increase taxes for 462,314 working families in Pennsylvania by an average of $225 in 1996.

- For 249,553 families with two or more children, the average tax increase in 1996 would be $283.

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	Thomas M. Foglietta	32,460	$48
2	Chaka Fattah	29,455	44
3	Robert A. Borski	20,961	31
4	Ron Klink	23,774	36
5	William F. Clinger, Jr.	29,025	43
6	Tim Holden	22,031	33
7	Curt Weldon	9,187	14
8	James C. Greenwood	8,559	13
9	Bud Shuster	28,458	43
10	Joseph M. McDade	25,604	38
11	Paul E. Kanjorski	26,963	40
12	John P. Murtha	30,281	45
13	Jon D. Fox	7,474	11
14	William J. Coyne	29,402	44
15	Paul McHale	16,899	25
16	Robert S. Walker	13,119	20
17	George W. Gekas	19,153	29
18	Michael F. Doyle	21,755	32
19	William F. Goodling	17,580	26
20	Frank Mascara	24,592	37
21	Phil English	25,583	38
Total		*462,314*	*691*

Rhode Island

- The Senate EITC proposal would increase taxes for 37,532 working families in Rhode Island by an average of $230 in 1996.

- For 20,260 families with two or more children, the average tax increase in 1996 would be $290.

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	Patrick J. Kennedy	19,575	$30
2	Jack Reed	17,957	27
Total		*37,532*	*57*

South Carolina

- The Senate EITC proposal would increase taxes for 293,588 working families in South Carolina by an average of $249 in 1996.
- For 158,477 families with two or more children, the average tax increase in 1996 would be $322.

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	Marshall (Mark) Sanford	48,814	$81
2	Floyd Spence	43,558	72
3	Lindsey O. Graham	47,805	79
4	Bob Inglis	45,914	76
5	John M. Spratt, Jr.	48,245	80
6	James E. Clyburn	59,252	98
Total		*293,588*	*485*

South Dakota

- The Senate EITC proposal would increase taxes for 36,641 working families in South Dakota by an average of $232 in 1996.

- For 19,779 families with two or more children, the average tax increase in 1996 would be $294.

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
	Tim Johnson	36,641	$56

Tennessee

- **The Senate EITC proposal would increase taxes for 358,464 working families in Tennessee by an average of $240 in 1996.**
- **For 193,496 families with two or more children, the average tax increase in 1996 would be $307.**

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	James H. Quillen	44,889	$71
2	John J. Duncan, Jr.	39,866	63
3	Zach Wamp	39,513	63
4	Van Hilleary	46,370	74
5	Bob Clement	37,456	60
6	Bart Gordon	32,012	51
7	Ed Bryant	32,870	52
8	John S. Tanner	41,663	66
9	Harold E. Ford	43,826	70
Total		*358,464*	*570*

Texas

- The Senate EITC proposal would increase taxes for 1,451,419 working families in Texas by an average of $245 in 1996.
- For 783,464 families with two or more children, the average tax increase in 1996 would be $316.

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	Jim Chapman	57,876	$94
2	Charles Wilson	56,829	92
3	Sam Johnson	20,127	33
4	Ralph M. Hall	46,818	76
5	John Bryant	55,085	90
6	Joe Barton	25,932	42
7	Bill Archer	28,913	47
8	Jack Fields	36,957	60
9	Steve Stockman	44,278	72
10	Lloyd Doggett	60,067	98
11	Chet Edwards	57,503	94
12	Pete Geren	46,365	75
13	William M. (Mac) Thornberry	62,664	102
14	Greg Laughlin	51,620	84
15	E (Kika) de la Garza	55,590	90
16	Ronald D. Coleman	49,392	80
17	Charles W. Stenholm	58,329	95
18	Sheila Jackson-Lee	61,381	100
19	Larry Combest	48,714	79
20	Henry B. Gonzalez	56,828	92
21	Lamar S. Smith	37,197	61
22	Tom DeLay	27,872	45
23	Henry Bonilla	51,996	85
24	Martin Frost	46,100	75
25	Ken Bentsen	46,447	76
26	Richard K. Armey	31,305	51
27	Solomon P. Ortiz	51,385	84
28	Frank Tejeda	55,727	91
29	Gene Green	58,640	95
30	Eddie Bernice Johnson	63,482	103
Total		*1,451,419*	*2,361*

Utah

- The Senate EITC proposal would increase taxes for 80,257 working families in Utah by an average of $234 in 1996.

- For 43,322 families with two or more children, the average tax increase in 1996 would be $297.

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	James V. Hansen	23,559	$37
2	Enid G. Waldholtz	27,129	42
3	Bill Orton	29,569	46
Total		*80,257*	*125*

Vermont

- The Senate EITC proposal would increase taxes for 23,791 working families in Vermont by an average of $221 in 1996.

- For 12,842 families with two or more children, the average tax increase in 1996 would be $275.

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
	Bernard Sanders	23,791	$35

Virginia

- The Senate EITC proposal would increase taxes for 319,789 working families in Virginia by an average of $240 in 1996.

- For 172,620 families with two or more children, the average tax increase in 1996 would be $307.

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	Herbert H. Bateman	26,425	$42
2	Owen B. Pickett	30,257	48
3	Robert C. Scott	46,229	74
4	Norman Sisisky	29,582	47
5	Lewis F. Payne, Jr.	37,932	60
6	Bob Goodlatte	34,734	55
7	Thomas J. Bliley, Jr.	22,618	36
8	James P. Moran	18,108	29
9	Rick Boucher	46,421	74
10	Frank R. Wolf	16,341	26
11	Thomas M. Davis	11,143	18
Total		*319,789*	*509*

Washington

- The Senate EITC proposal would increase taxes for 210,948 working families in Washington by an average of $227 in 1996.
- For 113,868 families with two or more children, the average tax increase in 1996 would be $285.

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	Rick White	13,025	$20
2	Jack Metcalf	21,790	33
3	Linda Smith	25,276	38
4	Richard (Doc) Hastings	29,663	45
5	George R. Nethercutt, Jr.	31,191	47
6	Norman D. Dicks	26,737	40
7	Jim McDermott	29,976	45
8	Jennifer Dunn	11,608	17
9	Randy Tate	21,682	33
Total		*210,948*	*317*

West Virginia

- The Senate EITC proposal would increase taxes for 95,270 working families in West Virginia by an average of $231 in 1996.
- For 51,426 families with two or more children, the average tax increase in 1996 would be $292.

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	Alan B. Mollohan	30,276	$46
2	Robert E. Wise, Jr.	30,094	46
3	Nick J. Rahall II	34,899	53
Total		*95,270*	*146*

Wisconsin

- **The Senate EITC proposal would increase taxes for 178,656 working families in Wisconsin by an average of $227 in 1996.**
- **For 96,437 families with two or more children, the average tax increase in 1996 would be $286.**

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	Mark W. Neumann	17,442	$26
2	Scott L. Klug	20,204	30
3	Steve Gunderson	23,309	35
4	Gerald D. Kleczka	16,706	25
5	Thomas M. Barrett	25,224	38
6	Thomas E. Petri	19,998	30
7	David R. Obey	23,759	36
8	Toby Roth	20,963	32
9	F. James Sensenbrenner, Jr.	11,050	17
Total		*178,656*	*269*

Wyoming

- The Senate EITC proposal would increase taxes for 22,938 working families in Wyoming by an average of $229 in 1996.
- For 12,382 families with two or more children, the average tax increase in 1996 would be $288.

District	Representative	Facing EITC Tax Increase	1996-2002 (millions)
	Barbara Cubin	22,938	$35

DEPARTMENT OF THE TREASURY

TREASURY NEWS

OFFICE OF PUBLIC AFFAIRS • 1500 PENNSYLVANIA AVENUE, N.W. • WASHINGTON, D.C. • 20220 • (202) 622-2960

FOR IMMEDIATE RELEASE
June 15, 1995

Contact: Scott Dykema
(202) 622-2960

SENATE BUDGET PLAN TO HIKE TAXES $25 BILLION, STUDY SAYS

The Senate budget package now before Congress will raise taxes on some 14 million working Americans by over $25 billion during the next seven years, according to a Treasury Department analysis.

The study -- on the impact of the tax hike on working families -- found that thousands of families in every congressional district in America would get a tax increase under the Senate budget.

The fiscal 1996 Senate budget plan increases taxes an average of $239 a year for 14.4 million families beginning in 1996 by reducing the Earned Income Tax Credit (EITC). One in six, or 21.1 million, American taxpayers will benefit in 1996 from the current program, which is designed to bolster the incomes of families moving off welfare to work.

"As the President emphasized Tuesday night, this administration has made and continues to make deficit reduction a major priority. But there are good ways and bad ways to achieve this goal," said Treasury Secretary Robert Rubin in releasing the study.

"It is a bad idea to increase taxes on lower-income working families as a means for reducing the deficit. We should support the EITC, a tax incentive for workers who choose work over welfare," Rubin said.

The Senate budget resolution is now being considered by a conference committee with the House.

Some 66,000 families in California's 30th congressional district -- the largest number in the nation -- would see their taxes rise by $107 million over the next seven years, according to the study. In Georgia's 2nd congressional district, more than 65,000

(more)

RR-376

families -- the second largest number in the nation -- also face a $107 million tax hike over the next seven years.

On average, families in Mississippi would face the largest tax increase of $257 a year -- $334 for a family with two children -- under the Senate plan. One in three Mississippians claim the credit on their tax returns. Most of those claiming the credit would see it reduced under the Senate budget resolution.

In California, the average tax hike would be $245 a year and $315 for a family with two children. One in five Californians claim the credit and most beneficiaries would face a cutback.

In Georgia, the average tax increase would be $247 a year and $319 for two-children families. One in four Georgia families claim the credit and most beneficiaries face a reduction.

Copies of the study, "Tax Increases on Working Families Based on EITC Changes in the Senate Budget Resolution," are available by writing the U.S. Treasury Department, Office of Public Affairs, Room 2315, Washington D.C. 20220 or by calling (202) 622-2960.

-30-

Summary Of
Tax Increases on Working Families
From EITC Changes in Senate Budget Proposal

State	Total Taxpayers	EITC Families: Number	EITC Families: Share of State Taxpayers	EITC Families Facing Tax Increase: Number	EITC Families Facing Tax Increase: Share of State Taxpayers	Tax Increase 1996-2002 (millions)	Amount per Taxpayer 1996: All Families	Amount per Taxpayer 1996: Two-Child Families
Alabama	1,843,423	534,986	29.0%	365,109	19.8%	$618	$256	$332
Alaska	367,041	26,888	7.3%	18,350	5.0%	$25	$203	$246
Arizona	1,787,719	372,132	20.8%	253,967	14.2%	$408	$242	$310
Arkansas	1,042,023	282,412	27.1%	192,736	18.5%	$312	$244	$313
California	13,843,278	2,996,867	21.6%	2,045,255	14.8%	$3,319	$245	$315
Colorado	1,768,212	241,802	13.7%	165,022	9.3%	$254	$233	$294
Connecticut	1,626,131	117,018	7.2%	79,861	4.9%	$115	$217	$269
Delaware	346,447	51,971	15.0%	35,468	10.2%	$56	$237	$302
District of Columbia	303,041	70,341	23.2%	48,005	15.8%	$77	$241	$309
Florida	6,579,108	1,265,147	19.2%	863,418	13.1%	$1,398	$244	$314
Georgia	3,165,840	757,977	23.9%	517,292	16.3%	$847	$247	$319
Hawaii	582,326	54,590	9.4%	37,256	6.4%	$54	$217	$269
Idaho	490,502	88,621	18.1%	60,481	12.3%	$94	$235	$299
Illinois	5,559,656	856,101	15.4%	584,258	10.5%	$911	$235	$299
Indiana	2,669,304	388,785	14.6%	265,332	9.9%	$410	$233	$295
Iowa	1,315,837	160,913	12.2%	109,818	8.3%	$164	$226	$284
Kansas	1,161,032	160,548	13.8%	109,568	9.4%	$165	$228	$286
Kentucky	1,622,651	318,531	19.6%	217,386	13.4%	$336	$233	$296
Louisiana	1,779,992	552,987	31.1%	377,394	21.2%	$619	$248	$319
Maine	574,525	80,015	13.9%	54,607	9.5%	$81	$224	$280
Maryland	2,415,690	345,471	14.3%	235,772	9.8%	$367	$235	$299
Massachusetts	2,915,119	247,124	8.5%	168,653	5.8%	$248	$222	$277
Michigan	4,337,705	545,898	12.6%	372,556	8.6%	$551	$223	$279
Minnesota	2,158,377	219,574	10.2%	149,851	6.9%	$222	$224	$280
Mississippi	1,106,636	433,490	39.2%	295,841	26.7%	$503	$257	$334
Missouri	2,390,955	405,168	16.9%	276,512	11.6%	$428	$233	$296
Montana	393,629	65,313	16.6%	44,574	11.3%	$67	$228	$288

** Number of taxpayers based on 1996 estimates.

Summary Of
Tax Increases on Working Families
From EITC Changes in Senate Budget Proposal

State	Total Taxpayers	EITC Families: Number	EITC Families: Share of State Taxpayers	EITC Families Facing Tax Increase: Number	EITC Families Facing Tax Increase: Share of State Taxpayers	Tax Increase 1996-2002 (millions)	Amount per Taxpayer 1996: All Families	Amount per Taxpayer 1996: Two-Child Families
Nebraska	775,845	106,161	13.7%	72,451	9.3%	$110	$230	$290
Nevada	716,405	115,051	16.1%	78,518	11.0%	$121	$232	$294
New Hampshire	561,933	55,547	9.9%	37,909	6.7%	$57	$226	$284
New Jersey	3,937,360	513,808	13.0%	350,656	8.9%	$546	$235	$299
New Mexico	731,953	185,634	25.4%	126,688	17.3%	$199	$237	$302
New York	8,215,013	1,242,663	15.1%	848,073	10.3%	$1,309	$233	$295
North Carolina	3,314,855	745,281	22.5%	508,628	15.3%	$826	$245	$315
North Dakota	297,173	38,861	13.1%	26,521	8.9%	$40	$228	$287
Ohio	5,342,292	690,646	12.9%	471,341	8.8%	$710	$227	$286
Oklahoma	1,391,750	296,340	21.3%	202,241	14.5%	$315	$235	$299
Oregon	1,421,446	211,188	14.9%	144,128	10.1%	$222	$233	$295
Pennsylvania	5,632,574	677,419	12.0%	462,314	8.2%	$691	$225	$283
Rhode Island	467,738	54,995	11.8%	37,532	8.0%	$57	$230	$290
South Carolina	1,656,009	430,188	26.0%	293,588	17.7%	$485	$249	$322
South Dakota	336,001	53,689	16.0%	36,641	10.9%	$56	$232	$294
Tennessee	2,360,257	525,250	22.3%	358,464	15.2%	$570	$240	$307
Texas	8,079,880	2,126,732	26.3%	1,451,419	18.0%	$2,361	$245	$316
Utah	782,979	117,598	15.0%	80,257	10.3%	$125	$234	$297
Vermont	276,843	34,860	12.6%	23,791	8.6%	$35	$221	$275
Virginia	3,079,147	468,580	15.2%	319,789	10.4%	$509	$240	$307
Washington	2,514,672	309,097	12.3%	210,948	8.4%	$317	$227	$285
West Virginia	728,169	139,597	19.2%	95,270	13.1%	$146	$231	$292
Wisconsin	2,402,575	261,780	10.9%	178,656	7.4%	$269	$227	$286
Wyoming	224,241	33,611	15.0%	22,938	10.2%	$35	$229	$288
U.S. Total	*120,500,000*	*21,100,000*	*17.5%*	*14,400,000*	*12.0%*	*$22,782*	*$239*	*$305*

** Number of taxpayers based on 1996 estimates.

Simplifying

PENSIONS

NATIONAL PERFORMANCE REVIEW

President Bill Clinton

Vice President Al Gore

June 1995

TABLE OF CONTENTS

OVERVIEW

> ***"The most important job of our government in this new era is to empower the American people to succeed in the global economy. We've got to have a government that can be a real partner in making this new economy work for all of our people. We ought to foster more savings and personal responsibility."***
>
> ***President Clinton -- January 24, 1995***

Introduction

In the twenty years since Congress enacted the Employee Retirement Income Security Act of 1974 (ERISA) to protect the pension promises made to employees, the pension laws and regulations have become extremely complicated. There are many reasons: the desire of employers to have a high degree of flexibility in designing plans that best suit their work force; policy decisions to try to ensure that all employees receive similar tax and savings benefits from retirement plans as are available to highly compensated employees and business owners; the need to prevent specific tax-shelter abuses; and limitations on pension accumulations to raise revenue.

While each of these may be good causes, and the private sector pension system has been greatly strengthened as a result of ERISA, the cumulative result -- together with virtually annual legislative changes -- had been to raise compliance and administrative costs to a level where many small employers, in particular, feel they cannot offer retirement plans to their employees. For example, while 73% of full-time workers in private firms with 1000 or more workers were covered by retirement plans in 1993, only 24% of those in firms with fewer than 100 employees were covered.

It is time to cut through complex rules that are outmoded, redundant, or no longer necessary to achieve policy goals. With these changes, more employers, both large and small, can make the smart decision: to provide their employees with a simple, tax-advantaged way to save for retirement. And, by reducing administrative expenses, more of the money spent by employers to maintain pension plans can go to benefits, rather than to lawyers, accountants, consultants and actuaries.

We can do this without opening the system to abuses or breaking the bank:

- We can tell employers with 401(k) plans that if they make a meaningful contribution on behalf of each employee, or provide a smaller contribution plus a significant match, we'll give them a safe harbor from antidiscrimination testing that is so complex and expensive that the federal government exempted its own pension plan from the requirements.

- We can make life even simpler for the smallest employers -- those with 100 or fewer employees. We can let them combine the advantages of both IRAs and 401(k) plans to provide a new, simple plan -- we call it the National Employee Savings Trust or NEST -- where no discrimination testing is required, there are simple limits on contributions, and employees manage their own accounts.

- We can stop treating family employees like mere appendages of a business owner, letting wives and husbands, and sons and daughters who work hard in family businesses earn pension benefits of their own.

- We can turn the seven-part definition of "highly compensated employee" into a two-part definition that's so easy an employer could figure it out without a lawyer or accountant.

- We can get rid of a limit on contributions and benefits for employees who have two types of plans with the same employer, leaving in place a simpler rule enacted in 1986 to replace it. The limit is so complicated that virtually no one computes it correctly.

- We can reduce the application to defined contribution plans of rules meant primarily for defined benefit plans. And we can reduce the application to multiemployer plans of rules meant primarily for single employer plans.

- We can give employees of tax-exempt organizations the opportunity to participate in the 401(k) defined contribution plans available to other employers.

- We can make sure that all participants in pension plans will get the benefits they have earned when their retire, even if their employer terminates the plan -- or even goes out of business -- and the employee has years to retirement.

- We can repeal a provision of ERISA that requires employers to send us copies of plan documents we simply warehouse -- only to have us ask them for another copy when an employee asks us for one!

These changes, and most of the other proposals in this report will require legislation. However, over the years there has been strong bipartisan support in Congress for pension simplification, and we are hopeful that our sensible, cost-effective proposal will be adopted.

But there is simplification that we can do administratively too:

- We can significantly simplify both the content and the means of filing the annual report that pension and health and welfare plans file with the government to enable us to check compliance with the law.

- We can make it much easier for plans to get permission to enter into transactions that are in the best interest of the plan but that technically are prohibited transactions.

- We can make certain that employers don't have to send employees duplicative notices or notices of plan changes that don't affect them.

Increasing the retirement income security of American workers is important, and increasing retirement plan coverage and benefits is a logical and effective way for the public and private sectors to work together with individual workers to achieve this goal. The package we are presenting today is a cost-effective beginning. We intend to continue to work with all concerned parties and with the Congress to ensure greater simplification of our pension system and greater retirement income security for all American workers.

Highlights of the High Priority Actions

Although this report proposes 28 High Priority Actions for pension simplification, six of these actions are of particular importance in achieving the goals of simplification.

- **Offer the "National Employee Savings Trust" - NEST - A simplified pension plan for small businesses**

  Small businesses are least able to deal with the complexity of current law, and their employees are the least likely to be covered by a retirement plan today. Therefore, we propose a new, simple retirement plan for employers with 100 or fewer employees. As many as 15 million workers who have no employer retirement plan could become eligible for the new plan, which would be known as the National Employee Savings Trust, or "NEST."

The NEST would operate through individual IRA accounts for employees, and would incorporate the most attractive features of the 401(k) plan, the fastest growing employer retirement plan in America today. By eliminating or greatly simplifying many of the rules that apply to other qualified retirement plans, including 401(k)s, the NEST would remove the key obstacles that currently deter many small employers from setting up retirement plans.

For example, for purposes of the NEST, this proposal **would eliminate:**

- the special nondiscrimination test that applies to employees' 401(k) salary reduction contributions;
- the special nondiscrimination test that applies to an employer's matching contributions;
- the top-heavy rules;
- the limit on profit-sharing plan deductions; and
- employers' reporting requirements.

The proposal **would simplify:**

- the limits on contributions;
- the rules governing employees' eligibility to participate; and
- employers' disclosure requirements.

A NEST could provide for employer contributions and for 401(k)-type tax-favored employee contributions by salary reduction. And employers could use their contributions to encourage each of their employees to contribute by offering to "match" employees' salary reduction contributions dollar-for-dollar for the first 3% of employee compensation and at least 50 cents on each contributed dollar for the next 2% of employee compensation. All NEST contributions would be made to an IRA established for each participating employee, and employers would contribute according to either of two "safe harbor" formulas.

- **Provide a simplified, design-based alternative for 401(k) defined contribution plans, for all employers**

  The 401(k) plan generally allows employees to contribute toward their retirement savings on a tax-favored, salary reduction basis. These plans often provide for the employer to make contributions that "match" the employee contributions. Yet in order to ensure that lower paid workers get reasonable contributions compared to those received by the highly paid, extensive and often costly nondiscrimination tests apply.

  We propose two important simplifications to the complex nondiscrimination tests that apply to 401(k) plans. In addition, we would allow employers (regardless of size) that sponsor 401(k) plans to avoid the nondiscrimination tests altogether by making the same type of safe harbor contributions that would apply to the NEST.

- **Repeal the family aggregation rule and the combined limits on contributions and benefits for those with multiple plans, and eliminate or simplify other unnecessary or overlapping requirements**

  <u>Repeal the family aggregation rule</u>. We propose to repeal the so-called family aggregation rule. Currently, multiple family members employed by the same firm are penalized if one of them either owns 5% or more of the firm, or is one of the ten highest paid employees. This unfairly prevents the family members from receiving the full retirement benefits they could have if they were unrelated employees. In addition, the family aggregation rule greatly complicates nondiscrimination testing, particularly for family-owned or operated businesses.

  <u>Repeal the combined limit</u>. We propose to repeal the excessively complex "combined limit" that currently applies to an employee's contributions and benefits when an employee participates in both a defined contribution plan and a defined benefit plan of the same employer. The calculation of this limit -- often referred to as section 415(e) of the Internal Revenue Code -- is exceedingly cumbersome. It requires information concerning a plan participant's entire work history, and it is commonly performed incorrectly. The goals of the combined limit are already adequately met by an excise tax enacted by Congress in 1986.

  <u>Simplify the definition of "highly compensated employee" to ease plan administration</u>. We also propose to simplify radically the definition of "highly compensated employee." Virtually every nondiscrimination test for pension plans (and health and welfare plans) involves identifying the employer's highly compensated employees. This term is currently defined by reference to a

complicated seven-part test that considers pay for both the current and preceding year. In addition, this test classifies many middle-income workers as "highly compensated employees" who are, as a result, prohibited from receiving better benefits.

Our proposal replaces the seven-part test with a simple two-part test: a highly compensated employee would be anyone who either owns more than 5% of an employer or is paid more than $80,000, based on pay in the prior year. The $80,000 threshold would save many middle-income Americans from being disadvantaged by nondiscrimination rules that were originally meant to help them.

Exempt defined contribution plans from the minimum participation requirement. Every qualified defined benefit plan and defined contribution plan currently must cover at least 50 employees or, in smaller companies, 40% of all employees of the employer. This minimum participation rule was generally intended to prevent the use of individual defined benefit plans to give high paid employees better benefits than those provided to others under a separate plan. Because the abuses addressed by the rule are unlikely to arise in the context of defined contribution plans, the rule adds unnecessary administrative burden and complexity for those plans. We would repeal the requirement for defined contribution plans.

- **Streamline Form 5500 reporting for all pension plans**

Each year, over 750,000 pension and welfare benefit plans are required to file the Form 5500 with the Internal Revenue Service (IRS). The form provides detailed information concerning a plan's financial condition, funding, investments and operations, and allows the pension enforcement agencies to evaluate compliance with the complex pension rules. The form is filed and processed as if it were a tax return, although it is an annual information report. In accordance with a National Performance Review (NPR) recommendation, we propose to significantly simplify and shorten the form and to develop software that will allow plans to file the form electronically, using a self-editing program. The new form will be available for public comment before the end of 1995 and completed early in 1996. The revised filing system will be implemented for 1996 plan years, for which returns must be filed in July 1997.

- **Simplify and expedite the prohibited transaction exemption process**

A "prohibited transaction" is generally any transaction between a plan and a person who is considered a "party in interest" or a "disqualified person." Prohibited transactions may trigger an excise tax and civil and criminal liability.

On the other hand, many transactions that are technically prohibited are inconsequential or are completely consistent with a plan fiduciary's responsibilities to participants, and so the Department of Labor (DOL) grants exemptions in most cases. However, the current DOL process, which treats each requested exemption as unique and entitled to all statutory procedural protections, can take up to two years. We would, administratively, guarantee a DOL response within 45 days for transactions DOL determined to be substantially similar to exemptions previously granted to the same or other plans. In addition, we would simplify the process for exempting another class of prohibited transactions -- involving self-directed accounts -- that **both** the IRS and DOL currently must act on, by designating DOL the primary decision-maker and limiting the time within which the IRS must object or concur.

- **Expand the Pension Benefit Guaranty Corporation's missing participant program to enable more of those promised a pension to get it, even if their company goes out of business**

Under the Retirement Protection Act, enacted in December, employers who are terminating defined benefit plans guaranteed by the PBGC must register "missing" participants -- participants the plan sponsor cannot locate, who have often left the company's employment years earlier -- with the PBGC and either transfer funds to the PBGC or purchase annuities for these participants. Previously missing participants who learn of a plan's termination can then contact the PBGC rather than having to trace the funds of an often-defunct employer. In addition, the PBGC has developed a fairly effective system for tracing such participants and providing them benefits. We propose to expand this program to defined benefit plans (other than governmental plans) that are not guaranteed by the PBGC and to defined contribution plans.

HIGH PRIORITY ACTIONS

SIMPLIFY PENSION PLANS FOR SMALL BUSINESS

1. The NEST -- A Simplified Plan for Small Business

Action: Create a new, simple retirement savings plan targeted to small employers and designed to encourage coverage of all employees. The new plan would be known as the National Employee Savings Trust ("NEST").

Background: The administrative cost and complexity associated with traditional qualified retirement plans often discourage small employers from sponsoring these plans. For employers with few employees, the cost of maintaining the plan may even exceed the benefits provided to employees. As a result, pension coverage of employees of small employers is significantly lower than the pension coverage of employees of larger employers. Existing plans designed for small employers are generally perceived as overly complicated and impractical. Where these plans are used, there is significant noncompliance with the statutory requirements.

Description: A NEST is a tax-favored retirement savings plan designed to provide small employers with a simple, cost-effective means of providing a retirement plan for their employees. It achieves these goals primarily by eliminating several complex nondiscrimination tests that apply to traditional qualified plans and, instead, simply requires an employer to make NEST contributions in accordance with one of two specified plan designs. The key features of the NEST are:

- Any employer with 100 or fewer employees would be eligible to maintain a NEST.

- Each employee, age 21 or older, who completed two years of service with the employer would participate in the NEST. However, an employer would not be required to make nonelective contributions for an employee with less than $5,000 of compensation for the year.

- The NEST would have to be designed to satisfy one of the following two formulas:

(1) The employer contributes at least 3% of pay for each eligible employee. In addition employees *may* be given the opportunity to make salary reduction (or "elective") contributions.

(2) The employer contributes at least 1% of pay for each eligible employee. In addition, employees *must* be given the opportunity to make elective contributions. Employee elective contributions of up to 3% of compensation must be matched by the employer dollar-for-dollar. The employer match for elective contributions above 3% of compensation (and up to 5% of compensation) must be at least 50 cents per dollar of elective contributions. No employer matching contribution is allowed for elective contributions in excess of 5% of compensation.

- All contributions would be made to an IRA and would be immediately 100% vested. However, withdrawal of any NEST contribution would be restricted for two years.

- An employee's annual elective contributions to a NEST would be limited to $5,000. Employer nonelective contributions would be limited to 5% of an employee's compensation (of up to $150,000). No other contribution or deduction limits would apply to the NEST.

- An employer would generally be allowed to make contributions for all employees to the same financial institution. However, an employee could subsequently move the NEST funds to an IRA at another financial institution.

- NEST accounts would be portable -- NESTs could originate and receive rollovers from any other IRA, and NESTs could receive rollovers from qualified plans.

2. Repeal the Family Aggregation Rule

Action: Eliminate the rule that requires certain highly compensated employees and their family members to be treated as a single employee.

Background: Under current law, if an employee is a family member of either a more-than-5% owner of the employer or one of the employer's 10 highest-paid highly compensated employees, then any compensation paid to the family member and any contribution or benefit under the plan on behalf of the family member is aggregated with the compensation paid and contributions or benefits on behalf of the highly compensated employee. Therefore, the highly compensated employee and the family member(s) are treated as a single highly compensated employee. For purposes of this rule, an employee's "family member" is generally a spouse, parent, grandparent, child, or grandchild (or the spouse of a parent, grandparent, child, or grandchild).

A similar family aggregation rule applies with respect to the $150,000 annual limit on the amount of compensation that may be taken into account under a qualified plan. (However, under these provisions, only the highly compensated employee's spouse and children or grandchildren under age 19 are aggregated.)

These family aggregation rules greatly complicate the application of the nondiscrimination tests, particularly for family-owned or operated businesses, and may unfairly reduce retirement benefits for the family members who are not highly compensated employees.

Description: The family aggregation rules would be repealed.

3. Eliminate Special Restrictions on Plans Maintained by the Self-Employed

Action: Eliminate the special plan aggregation rules that apply to certain qualified employer retirement plans maintained by self-employed individuals.

Background: Prior to the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), numerous special rules applied to qualified retirement plans that covered self-employed individuals. Almost all of these special rules were repealed by TEFRA. However, special aggregation rules that do not apply to other qualified retirement plans still apply to qualified plans that cover an "owner-employee" (i.e., a sole proprietor of an unincorporated trade or business or a more-than-10% partner of a partnership). These aggregation rules generally require affected plans to be treated as a single plan and affected employers to be treated as a single employer. For example, under one of the special rules, if an owner-employee controls more than one trade or business, then any qualified plans maintained with respect to those trades or businesses must be treated as a single plan and all employees of those trades or business must be treated as employed by a single employer. The special aggregation rules afford plan participants little, if any, protection because they are largely duplicative of the general aggregation rules that apply to *all* qualified employer plans, including plans that cover self-employed individuals.

Description: The special aggregation rules for qualified plans that cover owner-employees would be repealed.

4. Simplify Substantial Owner Rules Relating to Plan Terminations

Action: Simplify the rules that phase in PBGC-guaranteed benefits for a "substantial owner" who is a participant in a terminating plan.

Background: ERISA contains very complicated rules for determining the PBGC-guaranteed benefits of an individual who owns more than 10 percent of a business (a "substantial owner") and who is a participant in the business's terminating plan. These rules were designed to prevent a substantial owner from establishing a plan, underfunding it, and terminating it in order to receive benefits from the PBGC. Under the rules, the PBGC guarantee with respect to a participant who is not a substantial owner is generally phased in over five years from the date of the plan's adoption or amendment. However, for a substantial owner, the guarantee is generally phased in over *thirty* years from the date the substantial owner begins participation in the plan. The substantial owner's benefit under each amendment within the 30 years before plan termination is separately phased in. As a result, when a plan covering a substantial owner is terminated, the PBGC must obtain plan documents from as long as 30 years ago. This is frequently difficult if not impossible.

Description: The same five-year phase-in that currently applies to a participant who is not a substantial owner would apply to a substantial owner with less than a 50% ownership interest. For a substantial owner with a 50% or more ownership interest (a "majority owner"), the phase-in would depend on the number of years the plan has been in effect, rather than on the number of years the owner has been a participant. Specifically, the guaranteeable plan benefit for a majority owner would be 1/30 for each year that the plan has been in effect. (Benefits under plan amendments would not be separately phased in.) Under this approach, the fraction would be the same for each majority owner, eliminating the need for separate computations based on documents as many as 30 years old. However, a majority owner's guaranteed benefit would be limited so that it could not be more than the amount that would be guaranteed under the regular five-year phase-in applicable to other participants.

IMPROVE AND EXPAND 401(k) PLANS

5. Eliminate Uncertainty and Monitoring of Contributions Through Design-Based Safe Harbors

Action: Provide design-based nondiscrimination safe harbors that would give employers the option of avoiding all ADP (actual deferral percentage) and ACP (average contribution percentage) testing.

Background: The ADP test generally applies to the elective contributions (typically made by salary reduction) of all employees eligible to participate in a 401(k) plan. The test requires the calculation of each eligible employee's elective contributions as a percentage of the employee's pay. The ADP test is satisfied if the plan passes either of the following two tests: (1) the average percentage of elective contributions for highly compensated employees does not exceed 125% of the average percentage of elective contributions for nonhighly compensated employees, or (2) the average percentage of elective contributions for highly compensated employees does not exceed 200% of the average percentage of elective contributions for nonhighly compensated employees, *and* does not exceed the percentage for nonhighly compensated employees by more than two percentage points. The ACP test is almost identical to the ADP test, but generally applies to employer matching contributions and after-tax employee contributions under any qualified employer retirement plan.

The annual application of these tests, and correcting violations of these tests, is complicated and often costly. Most cases require either constant monitoring and adjustments of contributions over the course of the year *or* complicated correction procedures and information reporting after the end of the year.

Description: The proposal would provide two alternative "design-based" safe harbors. If a plan were properly designed, the employer would avoid all ADP and ACP testing. Under the first safe harbor, the employer would have to make nonelective contributions of at least 3% of compensation for each nonhighly compensated employee eligible to participate in the plan. Alternatively, under the second safe harbor, the employer would have to provide a 100% matching contribution on an employee's elective contributions up to the first 3% of compensation, and a match of at least 50% (but no more than 100%) on the employee's elective contributions up to the next 2% of compensation. The second safe harbor also would require the employer to make a nonelective contribution of at least 1% of compensation for each eligible nonhighly compensated employee.

Under both safe harbors, the nonelective employer contributions and the matching employer contributions would be nonforfeitable immediately (i.e., 100% vested) and generally could not be distributed prior to the participant's death, disability, termination of employment, or attainment of age 59 1/2. In addition, each employee eligible to participate in the plan would have to be given notice of his or her rights and obligations under the plan within a reasonable period before any year begins.

6. Facilitate Testing by Using Prior Year Data

Action: Adopt a look-back method for determining allowable contribution levels for highly compensated employees in order to eliminate the need for on-going testing or post-year-end corrections.

Background: The ADP test and the ACP test generally compare the average contributions for highly compensated employees for the year to the average contributions for nonhighly compensated employees for the same year. Because the current year average for the nonhighly compensated employees is not known until the end of the year, this almost always requires either constant monitoring and adjustments over the course of the year *or* complicated correction procedures and information reporting after the end of the year.

Description: To eliminate this unnecessary uncertainty and complexity, the proposal would modify the ADP and ACP tests to require the average contributions for highly compensated employees for the current year to be compared to the average contributions for nonhighly compensated employees for the *preceding* year.

7. Improve Fairness of Corrective Distribution Rules

Action: Provide a method for correcting nondiscrimination test violations that does not disproportionately favor the most highly compensated employees.

Background: Under current law, when the ADP or ACP test is violated, correction is made by reducing the excess contributions of highly compensated employees beginning with employees who have deferred the greatest *percentage* of pay. This method illogically favors the most highly paid of the highly compensated employees: their contributions, as a percentage of pay, are likely to be lower than the percentage contributions of lower-paid highly compensated employees, even if the dollar amount of their contributions is higher. For example, if an officer makes $65,000 and contributes $5,000 (7.7% of pay), his contribution would be reduced before that of a CEO who makes $150,000 and contributes $9,000 (6% of pay). In addition, it is usually simpler to determine the total dollar amount contributed by an employee than to determine what percentage of pay that dollar amount represents.

Description: The simplified correction method would require excess contributions to be distributed first to those highly compensated employees who deferred the highest dollar amount for the year. Under this method, the lower paid highly compensated employees would no longer be disadvantaged by the correction method.

8. Permit Tax-Exempt Organizations to Maintain 401(k) Plans

Action: Modify the tax law to delete the Code provision that prohibits organizations exempt from income tax, including Indian tribes, from maintaining section 401(k) plans.

Background: Except for certain plans established before July 2, 1986, an organization exempt from income tax is not allowed to maintain a 401(k) plan. This rule prevents many tax-exempt organizations from offering their employees retirement benefits on a salary reduction basis. Although tax-sheltered annuity programs can provide similar benefits, many types of tax-exempt organizations are also precluded from offering those programs.

Description: The proposal would delete the Code provision that prohibits organizations exempt from income tax, including Indian tribes, from maintaining 401(k) plans.

9. Conform 401(k) Distribution Rules for Rural Cooperatives

Action: Conform the distribution rules for 401(k) plans maintained by rural cooperatives with the distribution rules that apply to other 401(k) plans.

Background: Under a 401(k) plan, distributions are allowed only after separation from service, death, disability, attainment of age 59 1/2, and certain other specified events. However, 401(k) plans maintained by rural electrical cooperatives or cooperative telephone companies are money purchase pension plans. Therefore, in accordance with the distribution restrictions generally applicable to pension plans, these plans cannot allow distributions on account of a participant attaining age 59 1/2.

Description: The rules for 401(k) plans of rural cooperatives would be conformed to those that apply to other 401(k) plans by allowing distributions after attainment of age 59 1/2. (Note: Proposal 28 would change the age 59 1/2 rule to an age 59 rule.)

SIMPLIFY PENSION RULES

Delete Unnecessary Tests and Special Rules

10. Eliminate Excessive Testing By Simplifying the Definition of "Highly Compensated Employee"

Action: Simplify the definition of "highly compensated employee" that is used to test qualified employer retirement plans for nondiscrimination.

Background: A qualified employer retirement plan must satisfy a variety of nondiscrimination tests to ensure that it does not discriminate in favor of "highly compensated employees." As a result, all of the nondiscrimination tests require the employer to identify its "highly compensated employees." This term is currently defined by reference to a complicated test that consists of seven major elements. An employee is treated as a highly compensated employee for the current year, if, at any time during the current year or the preceding year, the employee:

(1) owned more than 5% of the employer,

(2) received more than $100,000 (as indexed for 1995) in annual compensation from the employer,

(3) received more than $66,000 (as indexed for 1995) in annual compensation from the employer and was one of the top-paid 20% of employees during the same year, or

(4) was an officer of the employer who received compensation greater than $60,000 (as indexed for 1995).

However, these four rules are modified by three additional rules.

(5) An employee described in any of the last three categories for the current year but not the preceding year is treated as a highly compensated employee for the current year only if he or she was among the 100 highest paid employees for that year.

(6) No more than 50 employees or, if fewer, the greater of three employees or 10% of employees are treated as officers.

(7) If no officer has compensation in excess of $60,000 (for 1995) for a year, then the highest paid officer of the employer for the year is treated as a highly compensated employee.

This test is not only complicated, it classifies many middle-income workers as "highly compensated employees" who are then prohibited from receiving better benefits than others.

Description: The current seven-part test would be replaced by a simplified two-part test: an employee would be a "highly compensated employee" for the current year only if the employee owned more than 5% of the employer during the current or preceding year *or* had compensation from the employer of more than $80,000 (indexed annually for cost of living) during the preceding year. This dollar threshold would mean that many middle-income Americans would no longer be subject to nondiscrimination restrictions.

11. Exempt Defined Contribution Plans from the Minimum Participation Rule

Action: Eliminate the requirement that a defined contribution plan cover at least 50 employees or, in smaller companies, 40% of all employees of the employer.

Background: Under current law, every qualified defined benefit plan or defined contribution plan is required to cover at least 50 employees or, in smaller companies, 40% of all employees of the employer. This rule was generally intended to prevent an employer from establishing individual defined *benefit* plans for highly compensated employees in order to provide those employees with more favorable benefits than those provided to lower paid employees under a separate plan. The rule prevents an employer from favoring one small group of participants over another by, for example, covering them under two separate plans and funding one plan better than the other.

As applied to defined contribution plans, the minimum participation rule adds complexity for employers without delivering commensurate benefits to the system.

- The 50 employee/40% rule currently acts as a largely redundant backstop to the nondiscrimination rules designed to prevent qualified retirement plans from unduly favoring the top group of employees. Since 1986, when the minimum participation rule was enacted (along with other, more extensive nondiscrimination requirements), regulations have further limited the potential for discriminatory practices that originally caused the minimum participation rule to be applied to plans other than individual defined benefit plans.

- All defined contribution plans are generally fully funded and, therefore, there is no risk that an employer will favor participants in one plan over participants in another by providing more favorable funding.

Thus, the abuses intended to be addressed by the minimum participation requirement are unlikely to arise in the context of defined contribution plans. This requirement adds unnecessary administrative burden and complexity with respect to these plans.

Description: The minimum participation rule would be repealed for defined contribution plans.

12. Eliminate Special Vesting Schedule for Multiemployer Plans

Action: Eliminate the 10-year vesting schedule currently allowed only for multiemployer plans, so that multiemployer plans will be subject to the same 5- or 7-year vesting schedules as all other qualified employer retirement plans.

Background: The accrued benefits of a collectively bargained employee under a multiemployer pension plan are not currently required to become nonforfeitable (i.e., "vested") until the employee has completed 10 years of service. If the employee's employment terminates before then, all benefits can be lost. Accrued benefits of all other employees (i.e., employees under all non-multiemployer plans and any noncollectively bargained employees under a multiemployer plan) must vest after *five* years of service, or after seven years if partial vesting begins after three years.

Description: The special 10-year vesting rule applicable to multiemployer plans would be repealed.

13. Allow Triennial Actuarial Valuations for Multiemployer Plans

Action: Allow multiemployer plans to return to triennial, rather than annual, actuarial valuations.

Background: An employer's annual deduction for contributions to a defined benefit plan is generally limited to the amount by which 150% of the plan's current liability (or, if less, the plan's accrued liability) exceeds the value of the plan's assets. Because the annual calculation of the 150% limit requires an actuarial valuation, defined benefit plans are required to have an actuarial valuation no less frequently than annually. However, under a separate proposal (see proposal 18), the 150% limit would be eliminated for multiemployer plans and, therefore, annual valuations would be unnecessary and overly burdensome for these plans.

Description: Actuarial valuations would be required no less frequently than every three years, rather than annually, for multiemployer plans.

14. Eliminate Partial Termination Rules for Multiemployer Plans

Action: Eliminate the partial termination rules for multiemployer plans.

Background: When a qualified employer retirement plan is terminated, all plan participants are required to become 100% vested in their accrued benefits to the extent those benefits are funded. In order to prevent an employer from evading this rule simply by amending the plan to exclude nonvested employees or by laying off nonvested employees before terminating the plan, a qualified employer retirement plan must also provide that, upon a "partial termination," all affected employees must become 100% vested in their benefits accrued to the date of the termination, to the extent the benefits are funded.

Whether a partial termination has occurred in a particular situation is generally based on the specific facts and circumstances of that situation, including the exclusion from the plan of a group of employees who have previously been covered by the plan, by reason of a plan amendment or severance by the employer. In addition, if a defined benefit plan stops or reduces future benefit accruals under the plan, a partial termination is deemed to occur if, as a result, a potential reversion of plan assets to the employer is created or increased.

Over the years, court decisions have left unanswered many key questions as to how to apply the partial termination rules. Accordingly, applying the rules can often be difficult and uncertain, especially for multiemployer plans. For example, multiemployer plans experience frequent fluctuations in participation levels caused by the commencement and completion of projects that involve significant numbers of union members. Many of these terminated participants are soon rehired for another project that resumes their active coverage under the plan. In addition, it is common for participants leaving one multiemployer plan's coverage to maintain service credit under a reciprocal agreement if they move to the coverage of another plan sponsored by the same union. As a result, these participants do not suffer the interruption of their progress along the plan's vesting schedule that ordinarily occurs when an employee stops being covered by a plan.

Given these factors, and the related proposal to require multiemployer plans to vest participants after five (instead of the current 10) years of service, the difficulties associated with applying the partial termination rules to multiemployer plans outweigh the benefits.

Description: The requirement that affected participants become 100% vested in their accrued benefits (to the extent funded) upon the partial termination of a qualified employer retirement plan would be repealed with respect to multiemployer plans.

Simplify Rules Governing Contributions and Deductions

15. Eliminate the Combined Plan Limit on Contributions and Benefits (Section 415(e))

Action: Repeal the extremely complex combined limit on contributions and benefits that apply when an employee is covered under both a defined contribution plan and a defined benefit plan of the same employer.

Background: An employee who participates in a qualified defined benefit plan *and* a qualified defined contribution plan of the same employer must currently satisfy a combined plan limit. This limit is satisfied if the sum of the "defined benefit fraction" and the "defined contribution fraction" is no greater than 1.0.

The defined benefit fraction measures the portion of the maximum permitted defined benefit that the employee actually uses. The numerator is the projected normal retirement benefit, and the denominator is generally the lesser of 125% of the dollar limitation for the year ($120,000 for 1995), *or* 140% of the employee's average compensation for the three years of employment in which the employee's average compensation was highest.

The defined contribution fraction measures the portion that the employee actually uses of the maximum permitted contributions to a defined contribution plan for the employee's entire career with the employer. The numerator is generally the total of the contributions and forfeitures allocated to the employee's account for each of the employee's years of service with the employer. The denominator is the sum of a calculated value for each of those years of service. The calculated value is the lesser of 125% of the dollar limitation for that year of service ($30,000 for 1995), *or* 35% of the participant's compensation. Because of the historical nature of this fraction, its computation is extremely cumbersome and requires the retention of various data for an employee's entire career.

The combined plan limit is not the only Code provision that safeguards against an individual accruing excessive retirement benefits on a tax-favored basis. There are maximum limits for both defined benefit and defined contribution plans. In addition, a 15% "excess distribution" penalty was enacted in 1986 to achieve many of the same goals as the combined plan limit. A distribution is generally considered an "excess distribution" to the extent *all* distributions to an individual from *all* of the individual's qualified employer plans and IRAs exceed $150,000 during a calendar year. The limit is $750,000 for a lump sum distribution. Excess distributions made after death are subject to an additional estate tax of 15%. Other rules also protect against excessive benefits.

Because other provisions of the Code go far toward ensuring that an individual cannot accrue excessive retirement benefits on a tax-favored basis, the extreme complexity of the combined plan limit is not justified.

Description: The combined plan limit (Code section 415(e)) would be repealed.

16. Simplify Contributions and Benefits Limits for Governmental Plans and Multiemployer Plans

Action: Exempt governmental plans and multiemployer plans from certain limitations on benefits and contributions.

Background: Annual additions to a defined contribution plan for any participant are limited to the lesser of $30,000 (for 1995) or 25% of compensation. Annual benefits payable under a defined benefit plan are limited to the lesser of $120,000 (for 1995) or 100% of "three-year-high average compensation." If benefits under a defined benefit plan begin before social security retirement age, the dollar limit must be reduced. Reductions in the dollar or percentage limit may also be required if the employee has fewer than 10 years of plan participation or service. Certain special rules apply to governmental plans.

These qualified plan limitations are uniquely burdensome for governmental plans, which have long-established benefits structures and practices that may conflict with the limitations. In addition, some state constitutions may prohibit the changes needed to conform the plans to these limitations.

These limitations also present problems for many multiemployer plans. These plans typically base benefits on years of credited service, *not* on a participant's compensation. In addition, the 100%-of-compensation limit is based on an employee's average compensation for the three highest *consecutive* years. This rule often produces an artificially low limit for employees in certain industries, such as building and construction, where wages vary significantly from year to year.

Description: The rules for governmental plans and multiemployer plans would be modified to eliminate the 100-percent-of-compensation limit (but not the $120,000 limit) for such plans, and to exempt certain survivor and disability benefits from the adjustments for early commencement and for participation and service of less than 10 years. In addition, certain employee salary reduction contributions could be counted as "compensation" for purposes of applying the limitations on benefits and contributions. To the extent that governmental employers have previously made elections that would prevent them from utilizing these simplification provisions, the proposal would allow those employers to revoke their elections.

17. Allow Tax-exempt Organizations to Provide Excess Benefit Plans

Action: Exempt "excess benefit plans" from the restrictions on nonqualified deferred compensation provided under section 457 of the Code.

Background: The amount of compensation provided to an employee under a nonqualified deferred compensation arrangement maintained by a *for-profit* organization generally is not subject to any limitation. In addition, such deferred compensation is not taxable to the employee until it is paid or otherwise made available to the employee to draw upon at any time.

In contrast, with few exceptions, section 457 of the Code subjects all nonqualified deferred compensation arrangements maintained by state and local governments and tax-exempt organizations to special, more restrictive rules. First, the amount deferred for any participant under such arrangements must generally be limited to $7,500 per year. Second, if this dollar limit and other restrictions are not satisfied, the deferred compensation is taxed to the participant in the first taxable year in which the compensation is not subject to a substantial risk of forfeiture, even if the compensation is not paid or otherwise made available to the participant until a later date.

An "excess benefit plan" is a nonqualified deferred compensation plan maintained by an employer solely for the purpose of providing benefits for certain employees in excess of the limitations on annual contributions and benefits imposed by section 415 of the Code (i.e., the lesser of $30,000 or 25% of compensation for a defined contribution plan, and the lesser of $120,000 or 100% of compensation for a defined benefit plan). If an employee's qualified plan contributions or benefits exceed these limits, an excess benefit plan may provide the excess contributions or benefits on a nonqualified basis. Thus, an excess benefit plan simply provides to certain employees -- those whose contributions or benefits are reduced by the limits -- contributions or benefits that are already provided to other employees under a qualified plan. However, even though there is no opportunity under an excess benefit plan to provide management employees with disproportionately higher benefits than those provided to lower paid employees, the restrictions of section 457 still apply to such a plan if it is maintained by a state and local government or tax-exempt organization. These employers are therefore at a distinct disadvantage in attempting to provide all employees with proportionate contributions or benefits.

Description: The proposal would exempt excess benefit plans of state and local governments and tax-exempt organizations from section 457. The exemption would not apply to an excess benefit plan that also provides benefits in excess of other qualified plan limitations.

18. Simplify Deduction Rules for Multiemployer Plans

Action: Repeal the 150% limitation on deductible contributions for multiemployer plans.

Background: An employer's annual deduction for contributions to a defined benefit plan is generally limited to the amount by which 150% of the plan's current liability (or, if less, 100% of the plan's accrued liability) exceeds the value of the plan's assets. The 150%-of-current-liability limit is intended to limit the extent to which an employer can deduct contributions for liabilities that have not yet accrued.

However, an employer has little, if any, incentive to make "excess" contributions to a multiemployer plan. The amount an employer contributes to a multiemployer plan is fixed by the collective bargaining agreement, *and* a particular employer's contributions are not set aside to pay benefits solely to the employees of that employer. Moreover, no reversions are permitted from multiemployer plans.

Description: Because the 150% limit on deductible contributions needlessly complicates the deduction rules for multiemployer plans, the 150% limit would be eliminated for those plans. Therefore, the annual deduction for contributions to a multiemployer plan would be limited simply to the amount by which the plan's accrued liability exceeds the value of the plan's assets.

Eliminate and Simplify Rules Governing Distributions

19. Repeal Rule Requiring Employer Plans to Commence Minimum Distributions Before Retirement

Action: Eliminate the requirement that distributions from a qualified employer plan to an employee (other than a more-than-5% owner) who continues to work for the employer maintaining the plan must begin at age 70 1/2.

Background: Under current law, an employee who participates in a qualified employer retirement plan must begin taking distributions of his or her benefit by the April 1 following the year in which he or she reaches age 70 1/2. Generally, the so-called "minimum distribution" for any year is determined by dividing the employee's account balance or accrued benefit by the employee's life expectancy as of that year. If the employee is still working and accruing new benefits at age 70 1/2, the new benefits must be taken into account to determine the minimum amount required to be distributed for the same year. In effect, a portion of each year's new benefit accrual is required to be distributed in the same year. This almost simultaneous pattern of contributions and required distributions causes considerable complication and confusion.

Description: The requirement to distribute benefits before retirement would be eliminated, except for employees who own more than 5% of the employer that sponsors the plan. Instead, distributions would have to begin by the April 1 following the *later of* the year in which the employee reached age 70 1/2 or the year in which the employee retired from service with the employer maintaining the plan. If payment of an employee's benefits were delayed past age 70 1/2 pursuant to this rule, the benefits ultimately paid at retirement would have to be actuarially adjusted to take into account the delay in payment. Without this adjustment, the delay in payment could cause the employee to "lose" the benefit payments that would otherwise have been paid between age 70 1/2 and retirement.

The age 70 1/2 requirement would continue to apply to IRAs. Because an IRA is not maintained by an employer, the initial payment date for an IRA cannot be tied to retirement from the employer maintaining the plan. (Note: Proposal 28 would change the age-70 1/2 rule to an age-*70* rule.)

20. Simplify Taxation of Annuity Distributions

Action: Replace the existing multiple and complex rules for calculating the taxable portion of an annuity payment with a single, simplified method that is currently allowed as an alternative method.

Background: If an employee makes after-tax contributions to a qualified employer retirement plan or IRA, those contributions (i.e., the employee's "basis") are not taxed upon distribution. When the plan distributions are in the form of an annuity, a portion of each payment is considered nontaxable basis. This nontaxable portion is determined by multiplying the distribution by an exclusion ratio. The exclusion ratio generally is the employee's total after-tax contributions divided by the total expected payments under the plan over the term of the annuity.

The determination of the total expected payments, which is based on the type of annuity being paid, often involves complicated calculations that are difficult for the average plan participant. Yet the burden of determining the exclusion ratio almost always falls on the individual receiving the distribution.

Because of the difficulty an individual may face in calculating the exclusion ratio, and in applying other special tax rules that may be applicable, the IRS in 1988 provided a simplified alternative method for determining the nontaxable portion of an annuity payment. However, this alternative has effectively *added* to the existing complexity because taxpayers feel compelled to calculate the nontaxable portion of their payments under every possible method in order to ensure that they maximize the nontaxable portion.

Description: A simplified method for determining the nontaxable portion of an annuity payment, similar to the current simplified alternative, would become the required method. Taxpayers would no longer be compelled to do calculations under multiple methods in order to determine the most advantageous approach.

Under the simplified method, in most cases, the portion of an annuity payment that would be nontaxable is generally equal to the employee's total after-tax employee contributions, divided by the number of anticipated payments listed in a table (based on the employee's age as of the annuity starting date).

IMPROVE ADMINISTRATION OF PROHIBITED TRANSACTION RULES

21. Simplify Prohibited Transaction Exemption Procedures

Action: Develop a prohibited transaction class exemption that would allow the DOL to expeditiously process exemption requests that involve prohibited transactions substantially similar to those described in individual exemption previously granted to the same or another plan.

Background: A "prohibited transaction" is generally any transaction between a plan and a person who is considered a "party in interest" or "disqualified person" with respect to the plan. Unless exempt by statute or by an "individual" or "class" exemption, a prohibited transaction may trigger an excise tax under the Code, and may give rise to civil or criminal liability under ERISA. The DOL generally has authority to exempt any person or transaction, or class of persons or transactions, from the prohibited transaction rules under both the Internal Revenue Code and ERISA.

Under the statute, an exemption may not be granted unless the DOL finds that the exemption is: (1) administratively feasible, (2) in the interests of the plan and of its participants and beneficiaries, and (3) protective of the rights of participants and beneficiaries of such plan. In addition, notice of a proposed exemption must be published in the Federal Register, and interested parties must be notified of the proposed exemption and be given an opportunity to comment and a hearing to present their views. Under these mandatory procedures, it can take up to two years to obtain an individual exemption.

Description: A class exemption, to be developed by the DOL, would exempt all transactions that the DOL determined to be substantially similar to previously granted individual exemptions. For transactions within its scope, the class exemption would guarantee a DOL response within 45 days.

22. Simplify Prohibited Transaction Exemptions for Self-Directed ERISA Plans

Action: Simplify the prohibited transaction exemption procedures for plans with participant-directed accounts ("404(c) plans").

Background: ERISA sets forth certain fiduciary responsibilities that apply with respect to pension plans. For this purpose, a fiduciary includes, among others, any person who exercises any discretionary control respecting the management or disposition of plan assets. However, ERISA section 404(c) generally provides that, if a plan participant exercises control over assets in his or her account, the participant will not be deemed to be a fiduciary by reason of the exercise of such control, and no person who is otherwise a fiduciary will have fiduciary liability as a result of the participant's exercise of control. Because of this exemption, a participant's direction of the investment of his or her account will not give rise to a prohibited transaction under ERISA. Such participant direction may, however, give rise to a prohibited transaction under the Code.

Reorganization Plan No. 4 of 1978 generally provides the DOL with authority to grant exemptions from the prohibited transaction provisions of both ERISA and the Code. However, the Reorganization Plan also provides that, with respect to transactions that are exempt from ERISA's prohibited transaction provisions pursuant to ERISA section 404(c), the Secretary of Treasury has the authority to grant exemptions from the prohibited transaction provisions of the Code. As a result, if a 404(c) plan wishes to take advantage of a DOL prohibited transaction class exemption, the 404(c) plan must apply to the IRS for an exemption from the prohibited transaction provisions of the Code, whereas a non-404(c) plan can rely on the DOL class exemption with respect to both the ERISA and Code prohibited transaction rules. A similar issue arises with respect to individual exemptions as well.

The DOL has developed significant prohibited transaction exemption expertise since the effective date of the Reorganization Plan. Therefore, in the vast majority of cases, it is inefficient and needlessly time-consuming for the IRS to process these exemption requests.

Description: The IRS would issue a class exemption that would provide a prohibited transaction exemption for all transactions under a 404(c) plan for which the DOL has granted a class exemption, *unless* the IRS notified the DOL otherwise within a prescribed time after being notified that the DOL's class exemption was pending. The IRS class exemption would also provide an exemption for any transaction under a 404(c) plan for which the DOL has granted an *individual* exemption, but only if the IRS explicitly concurred with the individual exemption within a prescribed time.

STREAMLINE PENSION PLAN REPORTING AND DISCLOSURE

23. Streamline ERISA Annual Report (Form 5500 Series)

Action: Streamline the Form 5500 Series annual reporting requirements for employee benefit plans, and pursue methods for simplifying and expediting the receipt and processing of Form 5500 information and data through the use of advanced computer technologies.

Background: Each year, over 750,000 pension and welfare benefit plans are required to file an annual return/report (the Form 5500 Series) regarding their financial condition, investments, and operations. The Form 5500 series was developed by the DOL, PBGC, and IRS (the "Agencies") to enable employers and plan administrators to satisfy their statutory annual reporting obligations under Titles I and II of ERISA and the Internal Revenue Code by filing a single form. The Form 5500 Series is the primary source of information concerning the operation, funding, assets, and investments of pension and other employee benefit plans. Accordingly, the Form 5500 Series is not only an important enforcement and research tool for the Agencies, but a source of information and data utilized by other federal agencies, Congress, and the private sector in assessing employee benefit, tax, and economic trends and policies. The Form 5500 Series is currently received and processed by the IRS through three designated IRS Service Centers.

The Agencies recognize that compliance with Form 5500 Series annual reporting requirements is a lengthy and complex process, resulting in the imposition of approximately 35 million burden hours on the universe of filers annually. The Agencies also recognize that the receipt and processing of the Form 5500 Series through the systems established for the receipt and processing of tax returns results in compliance and processing inefficiencies and delays. Currently, it costs the Agencies approximately $22 million annually to receive and process Form 5500 Series reports. In an effort to both reduce reporting burdens and facilitate annual reporting compliance, the Agencies are attempting to substantially simplify the Form 5500 Series. The Agencies are also examining ways by which to simplify and expedite the receipt and processing of the Form 5500 Series, while substantially reducing filer compliance burdens and government processing costs, through the use of an electronic filing system and government-provided personal computer software.

The Agencies believe that meaningful burden hour and cost reductions can be achieved only through an integrated implementation of changes to both the Form 5500 Series and the processing system. The National Performance Review (NPR) determined that manual preparation and processing of the Form 5500 Series are time-consuming and costly to the federal government and filers alike. The NPR concluded that an automated processing system, with the availability of personal computer software for the preparation and filing of the Form 5500 Series, should reduce filer costs of preparing forms and government processing costs, while enhancing the government's ability to protect the benefits of American workers as a result of more timely and accurate information.

Description: The current Form 5500 Series would be significantly revised to streamline or eliminate certain information that the Agencies determine is not required to discharge their statutory responsibilities. Following development of a revised Form 5500 Series, the Agencies would pursue establishment of an automated filing system for receipt and processing of Form 5500 Series information and data, as well as computer software to be made available for Form 5500 Series filers.

24. Provide Uniform Information Reporting Penalties

Action: Conform the penalties for failure to provide information reports with respect to pension payments with the general penalty structure for failure to provide information returns under the Code.

Background: The penalty structure for failure to provide information reports with respect to pension payments is currently separate and different from the penalty structure that applies to information reporting in other areas. The penalty for failure to file a Form 1099-R is currently $25 per day per return, up to a maximum of $15,000 per year per return. The penalty for failure to file Form 5498 is currently a flat $50 per return, with no maximum, regardless of the number of returns.

In contrast, the penalty for failure to file any other information return is generally $50 per return up to $250,000 per year, with lower penalties and maximums if the return is filed within specified times. (The penalty is $15 per return filed late but within 30 days and $30 per return filed late but on or before August 1.) Lower maximums also apply to persons with gross receipts of no more than $5 million. The penalty for failure to furnish a payee statement is $50 per payee statement up to $100,000 per year. Separate penalties apply in the case of intentional regard of the requirement to furnish a payee statement.

Description: In order to provide uniformity, the penalties for failure to provide information reports with respect to pension payments would be conformed to the general penalty structure. Thus, the penalty for failure to file Form 1099-R would generally be reduced. The penalty for failure to file Form 5498 would generally remain the same as under current law, but would no longer be unlimited. In addition, for both Form 1099-R and Form 5498, the penalties would be reduced if the forms were filed late but within specified times. Under the conformed penalty structure, the penalty for failure to file Form 1099-R would generally be reduced for any return that was late by more than two days.

25. Simplify ERISA Advance Notice of Benefit Reductions

Action: Issue administrative guidance stating that the statutory 15-day advance notice of plan amendments significantly reducing the rate of future benefit accrual need not be given to any person who will be unaffected by the reduction.

Background: ERISA (section 204(h)) provides that a pension plan may not be amended to significantly reduce the rate of future benefit accrual unless the plan administrator provides a written notice to participants, certain persons entitled to plan benefits under a domestic relations court order, and any union representing plan participants. The notice is required to set forth the plan amendment and its effective date, and must be provided after the amendment has been adopted but not less than 15 days before its effective date. Concerns have been expressed about the risk that the statute might be interpreted to require that notice of an amendment affecting only certain employees be provided to all participants, including retirees, terminated vested employees, and other classes of participants who would clearly be unaffected by the amendment but who might be confused or inappropriately alarmed if they received the notice.

The notice requirement originated in a legislative proposal to require notice of a complete cessation of benefit accrual ("freezing" a plan). It was subsequently expanded to cover significant reductions in the rate of accrual.

A pension plan termination includes, and goes beyond, a complete cessation of benefit accruals. ERISA requires an employer terminating a plan covered by PBGC insurance to give 60-day advance notice to participants of the employer's intent to terminate. In this case, the additional 15-day advance notice of a reduction in benefit accruals is redundant.

Description: Treasury/IRS would issue administrative guidance making clear that the ERISA notice is not required to be given to any individual who will be unaffected by the plan amendment. The guidance would also state that the notice is not required when a plan covered by PBGC insurance issues a notice of intent to terminate in accordance with ERISA's plan termination requirements. In addition to addressing other issues relating to the ERISA notice, the guidance would clarify that, pursuant to the terms of the statute, the notice is required only for reductions in the rate of benefit accrual.

26. Streamline the ERISA Summary Plan Description Filing Requirements

Action: Eliminate the requirement that all summary plan descriptions (SPDs) be filed with the DOL, and authorize the DOL to obtain SPDs from plan administrators for purposes of responding to individual requests or monitoring compliance.

Background: Under ERISA, administrators of employee pension and welfare benefit plans are required to furnish each participant and beneficiary with an SPD, summaries of material modifications to the SPD (SMMs), and, at specified intervals, an updated SPD. Filed SPDs, SMMs, and updated SPDs are required to be made available for public disclosure. These requirements are administered by the DOL's Pension and Welfare Benefits Administration (PWBA). The SPD is intended to provide participants and beneficiaries with important information concerning their plan, the benefits provided by the plan, and their rights and obligations under the plan. The primary purpose of having SPDs filed with the DOL is to have them available for participants and beneficiaries who are unable or reluctant to request them from their plan administrators. However, because SMMs are not required to be filed with DOL until 210 days after the end of the plan year, there is little, if any, certainty that the SPD information on file with the DOL at any given point in time is up-to-date.

PWBA annually receives approximately 250,000 SPD and SMM filings. Although PWBA's cost for maintaining a filing, storage, and retrieval system for SPDs is relatively small, approximately $52,000 annually, compliance with the SPD filing requirements costs plan administrators approximately $2.5 million annually, with the annual imposition of an estimated 150,000 burden hours. On average, PWBA receives requests annually for about two percent of the filed SPDs. Many of the requests for SPDs come from researchers and others who are not plan participants and beneficiaries. While there is some limited benefit from the federal government receiving and storing SPDs, the costs to the public and private plan administrators clearly outweigh the benefits. This conclusion is consistent with the findings of the National Performance Review.

Description: The proposal would amend ERISA to eliminate the requirement that all SPDs be filed with the DOL, and would authorize the DOL to obtain SPDs from plan administrators for purposes of responding to individual SPD requests or monitoring compliance with the SPD requirements. This approach would substantially reduce costs and burdens for public and private plan administrators, while preserving the ability of the DOL to assist participants who are unable or reluctant to request SPDs from their plan administrators.

PREVENT LOSS OF BENEFITS

27. Expand PBGC's Missing Participant Program

Action: Extend the missing participant program to be established by the PBGC to defined benefit plans not covered by the PBGC and to defined contribution plans.

Background: When a qualified employer retirement plan is terminated, there may be plan participants who cannot be located after a diligent search. If the plan is a defined benefit plan covered by the PBGC, the plan administrator must generally distribute plan assets by purchasing irrevocable commitments from an insurer to satisfy all benefit liabilities. If the plan is a defined contribution plan or other plan not covered by the PBGC, plan assets still must be distributed to participants before the plan is considered terminated.

Because of the problems that a plan administrator may face under these rules when plan participants cannot be located, the Retirement Protection Act (RPA), enacted as part of the General Agreement on Tariffs and Trade (GATT) in 1994, provided special rules for the payment of benefits with respect to missing participants under a terminating plan. The rules require the plan administrator to (1) transfer the missing participant's designated benefit to the PBGC or to purchase an annuity from an insurer to satisfy the benefit liability, and (2) provide the PBGC with information and certifications with respect to the benefits or annuity as the PBGC may specify. These rules will be effective after final regulations to implement them are adopted by the PBGC.

As currently enacted, these RPA rules would apply only to defined benefit plans that are covered by PBGC. Yet other defined benefit plans, as well as defined contribution plans, face similar problems when they terminate.

Description: The PBGC's program for missing participants would be expanded to defined benefit plans (other than governmental plans) not covered by the PBGC and to defined contribution plans (other than governmental plans). This would provide employers with a uniform method of dealing with missing participants, and would provide missing participants with a central repository location for locating their benefits once a plan has been terminated.

28. Miscellaneous Simplification Provisions

- Elimination of Half-Year Requirements

  Background: Distributions from qualified plans and IRAs prior to age 59 1/2 are subject to a 10% penalty. In addition, under certain plans (such as 401(k) plans), distributions before age 59 1/2 are generally prohibited. Minimum distributions from IRAs and qualified employer plans are required to begin upon attainment of age 70 1/2. (Note: Proposal 19 would eliminate the requirement that distributions from qualified employer plans begin by age 70 1/2 for employees, other than more-than-5% owners, who have not yet retired.)

  Description: To simplify these provisions, all references to age 59 1/2 would be changed to age 59, and all references to age 70 1/2 would be changed to age 70.

- Provide Consistent Treatment for Disabled Employees

  Background: An employer may elect to continue making deductible contributions to a defined contribution plan on behalf of disabled employees who are not highly compensated.

  Description: In order to simplify the rules for disabled workers and to encourage contributions for disabled workers, the need for an employer to make an election would be eliminated and plans would generally be allowed to provide for contributions for disabled highly compensated employees, as well as for disabled nonhighly compensated employees.

- Eliminate Unintended Cost of Reversions for Government Contractors

  Background: If a pension plan terminates and "excess assets" revert back to the employer, that reversion is subject to an excise tax as high as 50%. However, certain government contracting regulations require that a portion of any reversion from a plan maintained by a government contractor be paid to the United States. The portion paid to the United States is nevertheless subject to the reversion excise tax. Because the excise tax was intended to apply only to amounts received by the employer, government contractors that face plan terminations may experience unintended and unreasonably high costs.

Description: Amounts that are required to be repaid to the United States by reason of the applicable government contracting regulations would be exempt from the reversion excise tax.

- Allow IRS to Determine Church Plan Status Under ERISA

Background: An employer retirement plan that satisfies the definition of a "church plan" under ERISA is generally exempt from Title I of ERISA. An employer retirement plan that satisfies a very similar definition of a "church plan" under the Internal Revenue Code is exempt from certain current Code requirements, such as current-law minimum coverage and vesting. However, under the Code, a church plan can make an election to be subject to these requirements. A plan that makes such an election is no longer exempt from ERISA.

As a result of these rules, a plan that wishes to be sure of its status as a church plan must currently seek both a private letter ruling from the IRS (which requires a user fee) and an advisory opinion from the DOL. The DOL begins its review only after the plan obtains a private letter ruling. However, despite the similarity of the ERISA and Code definitions of "church plan," there is room for disagreement between the DOL and the IRS. If the DOL requires a church plan to be modified in order to satisfy the ERISA definition, the plan may be required to obtain another private letter ruling (and pay another user fee) regarding the status of the modified plan.

Under current law, the Code election that results in ERISA coverage applies only to pension plans; it does not apply to health and other welfare benefit plans. A church employer may, therefore, end up with a pension plan that is subject to ERISA and a welfare benefit plan that is exempt from ERISA. This may create confusion among employees who participate in both plans. In addition, the welfare benefit plan is subject to any applicable state law, while ERISA preempts the application of state law to a pension plan that elects ERISA coverage.

Description: ERISA would no longer provide a separate definition of "church plan." Instead, ERISA would provide that a plan that satisfied the definition of a church plan contained in the Code would be exempt from ERISA. In addition, ERISA would be amended to allow a church plan that is a welfare benefit plan to elect ERISA Title I coverage after providing notice to the DOL in accordance with DOL regulations, but only if the employer made a similar election for its pension plans. The DOL would, therefore, reserve the right to deny ERISA coverage to a welfare benefit plan where appropriate.

- <u>Extend Date for Adoption of Plan Amendments</u>

  <u>Background</u>: Plan amendments that are made to reflect amendments to the Internal Revenue Code must generally be made by the employer's income tax return due date for the employer's taxable year in which the change in the law occurs.

  <u>Description</u>: In order to ensure that plan sponsors have adequate time to amend plan documents for the pension simplification provisions, an extended amendment period would be provided.

DEPARTMENT OF THE TREASURY

TREASURY NEWS

OFFICE OF PUBLIC AFFAIRS • 1500 PENNSYLVANIA AVENUE, N.W. • WASHINGTON, D.C. • 20220 • (202) 622-2960

FOR RELEASE AT 2:30 P.M.
June 16, 1995

CONTACT: Office of Financing
202/219-3350

TREASURY'S 52-WEEK BILL OFFERING

The Treasury will auction approximately $18,250 million of 52-week Treasury bills to be issued June 29, 1995. This offering will provide about $1,500 million of new cash for the Treasury, as the maturing 52-week bill is currently outstanding in the amount of $16,757 million. In addition to the maturing 52-week bills, there are $25,606 million of maturing 13-week and 26-week bills.

Federal Reserve Banks hold $10,675 million of bills for their own accounts in the three maturing issues. These may be refunded at the weighted average discount rate of accepted competitive tenders.

Federal Reserve Banks hold $6,062 million of the three maturing issues as agents for foreign and international monetary authorities. These may be refunded within the offering amount at the weighted average discount rate of accepted competitive tenders. Additional amounts may be issued for such accounts if the aggregate amount of new bids exceeds the aggregate amount of maturing bills. For purposes of determining such additional amounts, foreign and international monetary authorities are considered to hold $520 million of the maturing 52-week issue.

Tenders for the bills will be received at Federal Reserve Banks and Branches and at the Bureau of the Public Debt, Washington, D. C. This offering of Treasury securities is governed by the terms and conditions set forth in the Uniform Offering Circular (31 CFR Part 356) for the sale and issue by the Treasury to the public of marketable Treasury bills, notes, and bonds.

Details about the new security are given in the attached offering highlights.

oOo

Attachment

RR-377

HIGHLIGHTS OF TREASURY OFFERING OF 52-WEEK BILLS TO BE ISSUED JUNE 29, 1995

June 16, 1995

Offering Amount	$18,250 million
Description of Offering:	
Term and type of security .	364-day bill
CUSIP number	912794 Z5 6
Auction date	June 22, 1995
Issue date	June 29, 1995
Maturity date	June 27, 1996
Original issue date	June 29, 1995
Maturing amount.	$16,757 million
Minimum bid amount	$10,000
Multiples	$1,000
Submission of Bids:	
Noncompetitive bids	Accepted in full up to $1,000,000 at the average discount rate of accepted competitive bids
Competitive bids . . .	(1) Must be expressed as a discount rate with two decimals, e.g., 7.10%
	(2) Net long position for each bidder must be reported when the sum of the total bid amount, at all discount rates, and the net long position are $2 billion or greater.
	(3) Net long position must be determined as of one half-hour prior to the closing time for receipt of competitive tenders.
Maximum Recognized Bid at a Single Yield . . .	35% of public offering
Maximum Award	35% of public offering
Receipt of Tenders:	
Noncompetitive tenders . .	Prior to 12:00 noon Eastern Daylight Saving time on auction day
Competitive tenders	Prior to 1:00 p.m. Eastern Daylight Saving time on auction day
Payment Terms	Full payment with tender or by charge to a funds account at a Federal Reserve bank on issue date

DEPARTMENT OF THE TREASURY

TREASURY NEWS

OFFICE OF PUBLIC AFFAIRS • 1500 PENNSYLVANIA AVENUE, N.W. • WASHINGTON, D.C. • 20220 • (202) 622-2960

For Release Upon Delivery
Expected at 2:00 PM EST
June 19, 1995

STATEMENT OF
GLEN A. KOHL
TAX LEGISLATIVE COUNSEL
DEPARTMENT OF THE TREASURY
BEFORE THE
SUBCOMMITTEE ON TAXATION AND INTERNAL REVENUE SERVICE OVERSIGHT
OF THE
COMMITTEE ON FINANCE
UNITED STATES SENATE

Mr. Chairman and distinguished Members of the Subcommittee:

I am pleased to have the opportunity to present the views of the Administration on the provisions in S. 758, the "S Corporation Reform Act of 1995" (the "Reform Act") and the proposal in H.R. 1215 to change the rules for claiming expenses for the business use of a home.

The Administration supports the goal of the Reform Act to provide small business with needed S corporation reform and simplification. We are concerned, however, that the Reform Act, if enacted in its current form, would create undue complexity and increased opportunities for large regular corporations (C corporations) to escape corporate taxation. Accordingly, we would like to work with the Committee to develop a reform package that is more precisely targeted to small business and does not introduce additional complexity into the Code.

With regard to the proposal for permitting deductions for home offices (the "Home Office Proposal"), we generally support the proposal. We believe the law should be revised to reflect changes in the workplace. Here too, however, we would like to work with the Committee to make sure the language is drafted so as to minimize the potential for abuse and associated audit difficulties. We would also be interested in working with the Committee to address the effect of the proposal on the tax treatment of daily transportation expenses.

Finally, we believe that appropriate revenue offsets must be provided for these legislative proposals to the extent they lose revenue.

RR-378

A. S Corporation Reform Act of 1995.

Let me first address the S Corporation Reform Act. By way of background, I should mention that this Administration frequently champions legislation specifically targeted at assisting small businesses. For example, in the Omnibus Budget Reconciliation Act of 1993 (OBRA '93), the Administration supported the change which increased the maximum amount of capital investment that small businesses can expense under Section 179 from $10,000 to $17,500. In fact, we had proposed a greater increase and only settled for the $17,500 figure that was ultimately enacted. We continue to support, on a revenue neutral basis, legislation that would increase expensing for small businesses. This tax benefit applies to all small businesses, regardless of form, and not merely those that are conducted as S corporations.

Similarly, the President last week announced a number of proposals that would make it easier for all small businesses to establish retirement plans for their employees. One of the President's proposals, the National Employee Savings Trust or "NEST" proposal, is specifically designed for businesses with fewer than 100 employees. We look forward to working with the Committee on this proposal.

In addition to supporting legislative proposals that are targeted to small business, Treasury regularly issues administrative guidance that assists small business. For example, under current law, taxpayers intending to conduct business in a flow-through partnership must comply with a multi-factored test that is both complex and uncertain in its application. We recently issued Notice 95-14, 1995-14 I.R.B. 7, suggesting a proposal that would replace this system and permit taxpayers to elect to be treated as a partnership simply by checking a box on a return. If adopted, this check-the-box approach would replace the current rules and eliminate needless administrative and compliance costs to taxpayers seeking partnership treatment. This proposal has been uniformly praised by taxpayers and tax practitioners.

We have also recently published guidance that, prior to the adoption of a check-the-box system, will provide more certainty under the current rules for taxpayers seeking partnership status for limited liability companies or "LLCs." LLCs combine the flexibility of partnerships with the liability protection of S corporations. Consequently, LLCs are becoming the entity of choice among new enterprises in many situations.

Finally, we have also issued guidance that specifically addresses S corporation issues. For example, we recently revoked a 1977 ruling that cast doubt on an S corporation's ability to enter into a partnership in certain circumstances and have explicitly provided that S corporations can enter into partnerships with partners that could not qualify as S corporation shareholders, including nonresident aliens. Rev. Rul. 94-43, 1994-2 C.B. 198; Income Tax Regulation §1.701-2(d), Example 2. This guidance administratively furthers some of the goals of the Reform Act by providing S corporations with more flexibility to raise additional capital and structure their business relationships as required.

We share the desire of the sponsors of the Reform Act to assist and strengthen small businesses. We believe, however, it is necessary to ensure that the goals of the legislation are achieved most efficiently and that the primary beneficiaries will in fact be small businesses.

The tax landscape has evolved significantly since the S corporation reform effort began in earnest in the early 1990's. For example, as I mentioned earlier, LLCs have recently become a tremendously popular alternative to S corporations. As of 1995, LLC legislation has been enacted in almost every state and the proposed check-the-box system is on the horizon. While these developments do not eliminate the need for certain reforms that would be useful for existing S corporations, they do require a reassessment of who will benefit from any S corporation proposal. We also should make sure we do not add undue complexity to the S corporation regime.

Many of the technical and administrative provisions of the Reform Act are simply good government and we support such provisions. These include, for example, the rules that grant the IRS the authority to treat flawed elections as valid and certain other proposals. We also support the proposal to increase the number of shareholders from 35 to 50. Nevertheless, we are concerned that certain other aspects of the Reform Act, when coupled with current law, will unduly benefit large C corporations, rather than the intended beneficiaries of the Act.

We base our concerns on a variety of factors, including the fact that under current law regular C corporations seeking flow-through tax treatment can frequently escape most corporate level taxes simply by electing S corporation status, assuming the applicable requirements are satisfied.[1] In particular, corporate taxes on current income are generally eliminated and a tax on any net built-in gains can be avoided by deferring any sales of built-in gain assets for ten years. In this regard, S corporations have a distinct advantage over other flow-through regimes such as partnerships. If a C corporation enterprise chooses to conduct business as a partnership (including an LLC taxable as a partnership), it would generally incur, in addition to a shareholder-level tax, a corporate-level tax on net built-in gains. This "toll charge" tax reduces the erosion of the existing corporate tax base.[2]

---

[1] Exceptions to nonrecognition on conversion include LIFO recapture for C corporations that use the LIFO method and, for C corporations with earnings and profits, a corporate-level tax on any recognized "excess net passive investment income" under section 1375.

[2] We note that the staff of the Joint Committee on Taxation recommended, as part of a simplification package, that "a shift from C corporation status to passthrough entity status where the passthrough entity is an S corporation [be] conformed to the present-law treatment where the passthrough entity is a partnership." See letter to Chairman Dan Rostenkowski from Ronald A. Pearlman, Chief of Staff of the Joint Committee on Taxation, reprinted in Committee on Ways and Means, Written Proposals on Tax Simplification, WMCP 101-27, May 25, 1990, p.20.

We are concerned that one consequence of the Reform Act's expansion of the eligibility requirements is that it will enable an increasing number of large C corporations to avail themselves of the S election to escape corporate level taxes. We expect that if the Reform Act becomes law, large C corporations will take advantage of the new rules. The Administration believes that legislation intended to benefit only small business and existing S corporations should do just that.

In short, the Administration supports the goals of S corporation reform, but believes that it should be more carefully tailored to its objectives and should avoid undue complexities. We would be pleased to work with the Committee to develop an S corporation reform package that meets these criteria.

B. Modification of Home Office Deduction for Administrative and Management Activities.

We generally support the Home Office Proposal. It is important for the tax law to keep pace with the changes in the workplace, and we believe that reform in this area is appropriate.

The proposal would amend the Internal Revenue Code so that a portion of the taxpayer's home would qualify as a "principal place of business" if (i) the office is used by the taxpayer to conduct administrative or management activities, and (ii) there is no other fixed location where the taxpayer actually conducts substantial administrative or management activities. By contrast, under current law, a deduction is generally allowed with respect to the use of a taxpayer's residence only in limited circumstances, including where a portion of the home is exclusively used on a regular basis as the taxpayer's "principal place of business."[3] Thus, under the bill, a home office deduction would be allowed under circumstances where the taxpayer's home, under current law, is not the taxpayer's principal place of business.

While we believe this result is appropriate in many cases, certain considerations should be addressed. In particular, the current rules were enacted by Congress in 1976 to reduce the substantial amount of litigation over the circumstances under which a taxpayer who worked in his or her home could deduct as a business expense a portion of the costs associated with maintaining the home. It is important that we make every effort to avoid turning back the clock and creating a level of ambiguity that would result in more disputes between taxpayers and the IRS. To address this concern, we believe modifications to the statutory language are needed.

[3] A deduction is also allowed for a portion of a home that is exclusively used on a regular basis (i) as a place of business which is used by patients, clients, or customers in meeting or dealing with the taxpayer in the normal course of the taxpayer's trade or business, or (ii) in the case of a separate structure which is not attached to the dwelling unit, in connection with the taxpayer's trade or business.

We are also concerned about the potential implications of the Home Office Proposal for daily transportation expenses. As currently drafted, the bill would affect more than home office deductions. It would also permit deductions for currently nondeductible commuting expenses and create considerable uncertainty in this area. We believe the effects of the Home Office Proposal should be limited to home office expenses. This issue also can be addressed through drafting revisions.

In summary, we support the Home Office Proposal and would be pleased to work with the Committee to address the concerns we have raised.[4]

* * * * *

Mr. Chairman, this concludes my testimony, and I would be pleased to answer any questions that you or other members of the committee may have.

---

[4] Section 6354 of H.R. 1215 would allow a deduction for expenses related to a storage unit in the taxpayer's home used for product samples if he or she is engaged in the business of selling those products at retail or wholesale and the home is the sole fixed location of the taxpayer's business. This proposal simply extends a current-law rule for inventory to product samples. We have no objections to this proposed change.

Removal Notice

FRASER

The item identified below has been removed in accordance with FRASER's policy on handling sensitive information in digitization projects due to

Citation Information

Document Type:

Number of Pages Removed:

Author(s):

Title:

Date:

Journal:

Volume:

Page(s):

URL:

Federal Reserve Bank of St. Louis https://fraser.stlouisfed.org

DEPARTMENT OF THE TREASURY

TREASURY NEWS

OFFICE OF PUBLIC AFFAIRS • 1500 PENNSYLVANIA AVENUE, N.W. • WASHINGTON, D.C. • 20220 • (202) 622-2960

June 16, 1995

Fact Sheet on Key Communique Points on Reform of the Institutions

Halifax G-7 Economic Summit

Macroeconomic Policy and Exchange Market Cooperation

The Leaders agreed to pursue macroeconomic and structural policies to maintain the momentum of growth, and to maintain close cooperation in economic policies and exchange markets. They reaffirmed the conclusions of the April Communique of the G-7 Finance Ministers and Central Bank Governors.

> "They agreed that recent movements [in exchange rates] have gone beyond the levels justified by underlying economic conditions in the major countries. They also agreed that orderly reversal of those movements is desirable, would provide a better basis for a continued expansion of international trade and investment, and would contribute to our common objectives of sustained non-inflationary growth. They further agreed to strengthen their efforts in reducing internal and external imbalances and to continue to cooperate closely in exchange markets."

Promoting Financial Stability

In response to the new challenges in the financial system exposed by the Mexican crisis, the Leaders proposed a set of institutional reforms to improve our capacity to prevent and mitigate financial crises.

Early Warning and Prevention

- **Creation of a more effective early warning and prevention system to enable the international community to avert crises, with an emphasis on improved disclosure so that markets can encourage early policy responses.**

Managing Crises

- Establishment of a new Emergency Financing Mechanism to provide the means for a quick and surgical international response to crises with systemic implications.

- To minimize moral hazard risks, this mechanism would be only be used to finance IMF programs with strong conditionality, and it would be funded through an expanded GAB, to ensure that the major creditors retain decision making authority over when it is deployed.

- To support this new mechanism, the G-10 and other countries with the capacity to support the system are called on to double the resources now available for this purpose to more than $50 billion.

Orderly Resolution

- Further review of procedures that might facilitate the orderly resolution of international debt crises in a financial environment characterized by a greater diversity of creditors and financial instruments.

Safeguarding the Financial System Against Risk

Commitment to intensify cooperation among financial authorities to limit systemic risk and a pledge to develop and enhance safeguards, standards, transparency and systems to reduce risk.

Finance Ministers will report to the next Summit on the adequacy of the current system and proposals for improvement.

Continued encouragement to countries to remove capital market restrictions, combined with support for the development of appropriate supervisory and regulatory systems.

Promoting Sustainable Development

G-7 endorsement of a blueprint for reforms of the World Bank and the regional development banks, reforms the United States has been promoting for two and a half years.

Key elements:

- Direct a substantial increase in the share of resources devoted to basic social programs that invest in people and are a powerful force for poverty reduction, such as primary education for girls and basic health care.

- Focus on safeguarding the environment.

- Support for development of the private sector and the use of more innovative financial instruments to catalyze private capital flows.

- Internal reforms, consolidation, decentralization, increased transparency, cost reduction.

Support for the Mideast Peace Process

Agreement on the establishment of a new institution and financing mechanism enhacing regional cooperation in support of the peace process.

Debt of the Poorest

Building on the Naples commitment to reduce the official debt owed by the poorest, the leaders called on the IMF and the multilateral development banks to develop a comprehensive approach for reducing the burden of large debt owed by some countries to the international financial institutions. This approach will encompass new financing mechanisms that make better use of all the existing resources of the institutions.

> As part of this commitment to the challenge of development, the Leaders agreed to support a continuation of concessional lending through the IMF's enhanced structural adjustment facility (ESAF).

Responding to Crisis

The leaders called on the IMF, the multilateral development banks and the United Nations to develop a new coordinating procedure to mobilize concessional finance quickly to countries emerging from political and economic crisis, as a bridge to the traditional lending facilities of the institutions.

Halifax Summit

REVIEW OF INTERNATIONAL
FINANCIAL INSTITUTIONS

BACKGROUND DOCUMENT

June 15 - 17, 1995

SOMMET HALIFAX SUMMIT
1995

The Halifax Summit Review of the International Financial Institutions

1. Introduction

At the Naples Summit, G-7 Leaders agreed that the Halifax Summit should focus on how to "assure that the global economy of the 21st century will provide sustainable development with good prosperity and well-being of the peoples of our nations and the world" by identifying the framework of institutions required to meet these challenges.

This paper examines the need for changes to the architecture of the international financial institutions -- i.e. International Monetary Fund, the World Bank Group, and the regional development banks.

Broadly speaking, the international financial institutions have demonstrated an exceptional degree of flexibility in adapting to changing demands. Nevertheless, there remain a number of areas where improvements are both possible and desirable.

2. The Principal Challenges

Today's world is very different from the one in which the Bretton Woods institutions were created.

- The global economy is more integrated and, as a result, all countries have a much greater stake in developments outside their borders.
- World trade has grown steadily, and direct and portfolio investment flows have increased sharply in recent years.
- Capital market liberalization, technological change, and financial innovation have transformed the global financial landscape -- with great benefits, but also new risks.
- There is a much greater consensus on the role of the market, economic incentives, and open policies, and much less faith in *dirigiste* solutions to economic problems.
- A variety of new global challenges have emerged in areas such as environmental stewardship and the importance of good governance.

- The influence of developing countries in the world economy is growing, yet, a large portion of the world's population still lives in extraordinary poverty.

- The imperative of continued transition in the countries of Central and Eastern Europe, the former Soviet Union, and elsewhere remains clear.

These changes leave the international community with a variety of continuing challenges: promoting economic policies that ensure sustained non-inflationary growth and correct imbalances that engender financial and exchange market instability; adapting institutional mechanisms to a world of large and highly mobile private capital; and promoting more effective sustainable development and poverty reduction.

3. Constraints and Other Considerations

In exploring potential institutional responses to these challenges, several general considerations need to be kept in mind. Although donor countries face fiscal constraints, which not only limit their ability to finance new institutions or new pools of resources, but have increasingly put pressure on the financing of existing obligations, efficient and effective international institutions will continue to merit our financial support. This strongly argues that the primary focus should be support for existing international financial institutions and the need to mobilize their resources more effectively. It also means that the needs which are identified must be consistent with the magnitude and the specific nature of the resources available to address them.

The existing complement of international institutions has grown to a point where the international community would benefit from a concerted effort to eliminate unnecessary overlap, consolidate functions in the institutions that are most effective, and focus their activities more clearly on private sector development, while continuing to play a vital role in those areas where the private sector cannot or will not play a role. In the future it will be beneficial to encourage the emerging economies to assume a degree of global responsibility which is broadly in line with their contribution to the world economy.

4. Economic Policy and Exchange Market Cooperation

Close consultation and effective cooperation on macroeconomic policies among the G-7 are important elements in promoting sustained non-inflationary growth, avoiding the emergence of large external and internal imbalances, and promoting greater exchange market stability. We have adopted a number of changes to the structure of our consultations over time in order to strengthen policy cooperation. Specifically, the process of consultation with the IMF has been enhanced and the focus of discussions extended. These changes are designed to improve our capacity to identify, and better respond to, potential risks.

Appropriate structural policies contribute to the effectiveness of sound macroeconomic policies. Structural policies that increase the flexibility and dynamism of the supply side of economies limit the persistence of macroeconomic imbalances and accelerate the response to macroeconomic policy adjustments. Such policies also enhance the longer-term potential of economies to grow and create secure, high-paying jobs.

The most effective route to greater exchange market stability lies in the pursuit of sound domestic monetary and fiscal policies. Further progress in achieving a non-inflationary environment and reducing inflation differentials will mitigate one important source of exchange rate variability. Further substantial progress in reducing fiscal deficits and increasing national savings will also contribute to greater exchange market stability. Early policy action to avoid large external imbalances would help reduce the likelihood of large and potentially destabilizing exchange rate adjustments.

In addition, continued cooperation in the exchange markets can be a useful and effective means for moderating exchange rate movements that are not driven by fundamental changes in economic conditions or policies. Close monitoring and coordinated responses in the exchange markets can be appropriate when exchange rates get out of line. In this context, it should be noted that, in their April 25 Statement, the G-7 Finance Ministers and Central Bank Governors agreed that recent exchange rate movements had "gone beyond the levels justified by underlying economic conditions in the majors countries. They also agreed that orderly reversal of those movements is desirable, would provide a better basis for a continued expansion of international trade and investment, and would contribute to our common objectives of sustained non-inflationary growth. They further agreed to strengthen their efforts in reducing internal and external imbalances and to continue to cooperate closely in exchange markets."

Administrative measures, such as selective taxes or controls on capital transactions, are an ineffective and very costly means to attempt to limit exchange market volatility. Since it would be impractical to implement such controls across geographic areas and financial instruments, they would merely shift the location of activity or the financial vehicle for the transactions. Controls would also tend to hamper investment and capital flows that are productive for growth and reinforce stability.

5. Promoting Financial Stability in a Globalized Economy

There is a need to ensure that the economic advantages made possible by integrated, flexible financial markets can be enjoyed around the world while, at the same time, more effectively managing financial developments with potentially broad economic implications. In the past, this challenge has been met through a network of institutions and arrangements, which include the IMF, BIS, G-7, G10 and OECD. These groups have significantly strengthened cooperation and information-sharing among policy makers and financial market supervisors and regulators. They have also developed a complex set of formal and *ad hoc* financial facilities that have been used to respond to financial market crises which threatened to have major economic consequences.

The international community must also improve its ability to address the risks inherent in the dramatic growth in private financial flows, the increased integration of domestic capital markets, and greater recourse to financial innovations. Episodes of financial market distress, as most recently experienced in Mexico, illustrate both the potential dangers and challenges these institutions must be prepared to meet.

A number of interrelated elements are required to effectively deal with these challenges:

- An improved **early warning system** is needed to avoid financial shocks where possible. This requires, *inter alia*, an effective ongoing system of surveillance of national economic policies and developments.

- When potential problems are identified, there is a need to ensure that the capacity exists to induce **appropriate policy responses** at an early stage.

- Appropriate and adequate multilateral **financing mechanisms** are required that can, when needed, be brought to bear on a scale and with the timeliness required to overcome the consequences of external shocks that may arise from the increased mobility of international capital. Crucially, there is a need to ensure that these mechanisms operate in such a way, in terms of conditionality, as to quickly restore market confidence and access to private sector money.

- An effective system of **cooperation** among the major industrial countries and multilateral financial institutions is needed, which allows a rapid and concerted response to external shocks.

- There may also be a need to look at other mechanisms that might usefully be considered in situations of financial crisis.

Early Warning and Surveillance

Timely and comprehensive data are the backbone of an effective surveillance process in the multilateral institutions. Properly constituted, surveillance serves three key functions: it provides the discipline needed to ensure that economic developments are systematically reviewed by the multilateral institutions and their implications clearly identified; it provides an opportunity for governments to deliver collective advice to one another with respect to economic policy measures, past or prospective; and it permits the private sector to make informed decisions and perform its role more efficiently.

Minimizing the occurrence of financial shocks requires improved transparency -- i.e. that all countries publish timely and reliable data on a broad range of economic and financial indicators. Quick and widespread access to such information will allow financial markets to better perform their role as the primary conduits by which capital moves from savers to borrowers. Of particular importance is the role that continuous and comprehensive data publication can play in minimizing the scope of abrupt shifts in financial market sentiment in response to unwelcome surprises. Well-informed and well-functioning financial markets are the best line of defence against financial crises. To this end, the IMF should:

- **establish benchmarks for the timely publication of key economic and financial data;**
- **establish a procedure for the regular public identification of countries which comply with these benchmarks;**
- **insist on full and timely reporting by member countries of standard sets of data.**

G-7 Finance Ministers and Central Bank Governors conduct regular, detailed surveillance discussions, with the input of the IMF, which are primarily focused on their own policies and prospects. More broadly-based surveillance is carried out by the IMF in the context of its annual reviews of economic performance in member countries. The IMF also conducts broader assessments of economic policies, developments and prospects from a global perspective in its World Economic Outlook, which it publishes twice a year.

Given its global mandate and the expertise of its staff, the IMF should continue to be the focus of surveillance. However, the IMF's surveillance activities should be improved in four specific ways:

- **Greater resources and attention should be devoted to those countries of global significance, including both industrial countries and emerging economies.**
- **Clear and direct policy advice should be offered to all governments, particularly those which appear to be avoiding necessary policy measures.**
- **Greater attention should be devoted, in general, to financial and banking sector developments and, in particular, to the pattern of capital flows and their maturity. Better balance should also be achieved in the Fund's overall surveillance process between cross-cutting issues, such as common developments in capital markets, and country-specific issues.**
- **Wherever feasible, the Fund should be more open and transparent in its assessments and policy advice.**

Some of these objectives conflict, to some degree, with one another. Most importantly, any surveillance process faces a tension between the desire to function as a cooperative process and the frequent need to deliver a sharp, unambiguous policy message to national authorities. In carrying out this task, the IMF obviously needs to be selective. In practice, this means focusing particular attention on countries with a potentially large impact on the world economy.

Should bilateral surveillance fail to achieve its desired effect on the policies of certain member countries, a direct, but private, dialogue with national authorities should be encouraged.

- **The IMF Managing Director should be invited to work more closely with Executive Directors and when necessary, member governments, with a view to initiating a concerted policy dialogue with the national authorities of problem countries.**
- **Where appropriate, governments should be prepared to take on the role, collectively or individually, of passing a strong message on the need for policy actions to the national authorities of these countries.**

Early and Appropriate Policy Responses

In a well-functioning system, a country would begin taking policy actions to correct external or internal imbalances as soon as these materialise. The international financial institutions are set up to facilitate this process in several ways. The IMF, for example, undertakes a regular process of consultations with all member countries. These consultations provide an opportunity to candidly review the current policy stance of members and discuss prospective problems before these arise. The timing of such consultations should be flexible and responsive to changes in country policies and the external economic environment.

In cases where external financing is required to support early policy actions, the Fund is able to provide financial support through a variety of facilities. These differ largely in terms of the nature of the macroeconomic and structural problems they seek to address and the degree of conditionality attached to them. The IMF and MDBs also provide significant financing for structural reforms. Such reform programs are designed to reduce major economic distortions with a view to creating more dynamic economies, which are better able to cope with external shocks should they arise in the future.

Financing Mechanisms

The international community's ability to respond to short-term liquidity needs and medium-term balance of payments difficulties in individual countries is centred principally on two institutions, the IMF and the BIS. At times, these have been supplemented by *ad hoc* bilateral and multilateral mechanisms. The IMF has at its disposal a number of financing facilities, each of which generally requires the negotiation of an acceptable economic policy program as a prelude to disbursement of loans which, in turn, are predicated on the fulfilment of the agreed policy commitments and targets.

Should the financial need of one or more member economies be sufficiently large to strain the IMF's regular resources or threaten the functioning of the international financial system, the G-10 countries stand ready to provide loans to the IMF through the General Arrangements to Borrow (GAB). To bridge the gap between the urgent liquidity needs that often arise in a time of crisis and the weeks or months that may be required for the IMF to begin disbursing its loans, the monetary authorities of the G-10 countries have found it necessary on occasion to extend short-term credits, either directly or through the BIS.

A key question should be what constitutes the right mix of surveillance, adjustment and financing -- rather than viewing the crisis as the consequence of inadequate financing. The Mexican crisis clearly illustrates that the vast financial flows that are now commonplace in private markets pose important new challenges. It also illustrates the importance of strong policy action in responding to such crises, and the crucial need for any financial support to be conditional on that. While this episode points to a need to review both the size and the speed of access to the financing mechanisms, it is also understood that there can be no presumption that multilateral financing will be provided in every instance of local or regional financial crisis.

This episode also highlights the necessity for international financial institutions and major economies to be able to respond rapidly and in a well coordinated fashion. when confronted with a problem that could have adverse economic consequences for a significant number of countries or pose a significant threat to the stability of the world's increasingly integrated financial system.

Issues pertaining to financing mechanisms can be identified in terms of the **means** by which funds can be made available and the **sources** of such funds. The IMF's facilities continue to represent an important source of financing for macroeconomic stabilization in many countries. Moreover, an IMF arrangement is an essential element for any agreement with the BIS and creditor governments on a short-term bridging facility. In the aftermath of Mexico, attention might usefully be focused on the adequacy of the Fund's current mechanisms (including use of the "exceptional circumstances" clause on a selective and *ad hoc* basis).

- **We would propose the establishment within the IMF of a new standing procedure -- "Emergency Financing Mechanism" -- involving a fund arrangement with strong conditionality but with high up-front access and faster procedures to access Fund resources in crisis situations under the "exceptional circumstances" clause.**

The IMF presently has adequate usable resources to finance its commitments to Mexico and other projected lending without a significant increase in its liquidity. Nevertheless, in order to support the above-mentioned new standing procedure, we would ask:

- **that the G-10 and other countries with the capacity to support the system develop financing arrangements with the objective of doubling as soon as possible the amount currently available under the GAB to respond to financial emergencies;**

To ensure that the IMF has sufficient resources to meet its ongoing responsibilities, we urge continued discussions on a new IMF quota review.

Strengthening International Cooperation

Should financial market crises arise, it is important that we improve existing mechanisms for sharing our analyses and strengthen our ability to coordinate a quick response. A willingness to cooperate is obviously essential but this must be backed up by fast and reliable channels of communications at all levels of operational responsibility.

In essence, the methods of coordination and cooperation among the major industrialized economies and the multilateral financial institutions must be modernized and brought into line with the growing speed and breadth of financial market integration. Since these groups have at their disposal the same information technology that markets have exploited, further improvements in these capabilities appear both feasible and desirable.

Solid progress on the elements discussed above should significantly improve the international community's ability to cope with future financial crises. Nevertheless, these improvements may not be sufficient in all cases. In line with this, and recognizing the complex legal and other issues posed in debt crisis situations by the wide variety of sources of international finance involved, we would encourage further review by G-10 Ministers and Governors of other procedures that might also usefully be considered for their orderly resolution.

6. Strengthening Financial Market Supervision and Regulation

The growth of financial markets, the development of new instruments, and a desire for diversification of investment have spurred global integration of national markets and increased liquidity. These developments have led to a more efficient allocation of capital and thus greater growth of economic activity. At the same time, with today's highly integrated financial markets, there is a greater potential for the rapid transmission of financial disturbances. Close international cooperation in the regulation and supervision of financial institutions and markets is essential to the continued safeguarding of the financial system and to prevent erosion of necessary prudential standards.

Continued strengthening of these efforts has the full support of G-7 Finance Ministers and Central Bank Governors. We look forward to the development and further enhancement of concrete international understandings, where necessary and appropriate, on the safeguards, standards, transparency, and systems necessary to reduce potential risks. In this context, we recognize the important initiatives being undertaken separately and jointly by various committees under the aegis of the BIS and the International Organization of Securities Commissions as well as by national authorities.

- **The G-10 should be encouraged to intensify their review of work in this area and there should be a call for the Basle Committee on Banking Supervision and the International Organization of Securities Commissions to work closely together in addressing the major issues in this area and the desirable steps to address identified problems and to report back. These reports should help Ministers to reach conclusions regarding the extent of systemic risks and their**

implications for the world economy, and the need for any measures deemed essential to an integrated approach to potential systemic risks.

- **The IMF should consider extending existing obligations regarding the convertibility of current account transactions to the staged liberalization of capital account transactions. At the same time, the IMF, the World Bank and regional development banks, and national authorities should encourage an integrated approach to ensure that adequate supervisory, regulatory and policy structures are in place to support the sound development of financial markets in countries which are removing these restrictions. This might be done, for example, by increasing technical assistance and strengthening contacts with other regulatory authorities.**

We also recognize that international financial fraud is a growing problem. We are committed to improve communication between regulators and law enforcement agencies.

7. Special Drawing Rights

- **We reiterate our support for a one-time special allocation of SDRs, through an amendment of the Fund's Articles of Agreement, to reduce inequities in the current system by allowing new members, particularly the countries of Central and Eastern Europe and the former Soviet Union, to participate fully in the SDR system. This approach would also provide additional SDRs to other countries, particularly the poorest countries with the greatest need. The broader question of the appropriate future role of the SDR in the international monetary system should be the subject of a separate study as agreed at the last meeting of the Interim Committee.**

8. Sustainable Development

The multilateral development banks -- i.e. the World Bank and regional development banks -- must continue to play a key role in the promotion of sustainable development. In recent years, the MDBs have been broadly responsive to emerging challenges and have adopted an impressive set of operational and administrative reforms. This is most clearly evident in their ongoing response to the historic challenge of transforming the countries of Central and Eastern Europe and the former Soviet Union from centrally-planned to market-based economies.

The MDBs have also learned valuable lessons from past successes and failures, which provide clear evidence of the complexity of the developmental challenge. The international community has a shared interest to ensure that these institutions continue to adapt to the challenges of today's world and contribute efficiently to the development process of poor countries. In line with this, the following areas deserve closer examination.

Allocating Resources More Effectively

Greater attention needs to be paid to the use of increasingly scarce public resources. Budget constraints in many donor countries are leading to growing pressures on concessional programs. As a result, priorities must be sharpened and difficult choices made concerning both the sectoral and country focus of assistance efforts and we reaffirm our support to the MDBs' endeavour in this regard.

- **It is essential that the MDBs narrow their focus and increasingly direct their lending toward the provision of "public" goods, for which private support is inadequate or simply not available. This argues for a stronger focus on programs such as those which support primary education and health care or protection of the environment. Such investments are not only economically sound, but typically demonstrate exceptionally high social rates of return as well.**

- **Wherever feasible, traditional lending for capital projects should be left to the private sector and more generally the MDBs should ensure that their lending is genuinely additional to private sector finance, and not replacing it. In order to promote private involvement in the development process, the MDBs should: encourage private sector financing of capital projects through various financing mechanisms; encourage the development of a healthy private sector by establishing a policy environment conducive to private enterprise; and support the provision of sufficient infrastructure for sustainable growth.**

- **Concessional resources should be allocated primarily to the countries that need them most and have a demonstrated capacity to use them effectively. Countries with sustained and growing access to capital markets should be progressively "graduated" from the concessional to the ordinary capital windows of these institutions.**

- **In line with our objective of supporting efficient and effective multilateral institutions, we urge all donor countries to fulfil promptly their commitments to IDA 10 and to support a significant replenishment of IDA 11.**

Future Policy Directions

A number of key development challenges have their root causes in poverty. The international development institutions clearly have an essential role to play in reducing poverty through direct interventions and the promotion of sustainable, labour-intensive growth.

- **To better play this role, the country strategies of the MDBs need to be more clearly driven by the poverty reduction strategies of recipient countries. In turn, country strategies should include clear statements of expected progress on key poverty indicators and provide monitorable benchmarks to better judge the success of individual projects.**

- **The MDBs should also give serious consideration to sharply reducing their lending programs in any country that does not clearly demonstrate a firm commitment to poverty reduction. In some cases, this commitment might be assessed against the share of government spending directed to basic social services compared to the share directed to non-productive areas, such as military spending.**

The MDBs have responded well to the challenges of integrating sound environmental principles into their operational policies. Nevertheless, there continues to be concern about the implementation of these policies. This being the case:

- **Comprehensive environmental assessments should be an integral part of the program and project development process and mitigative actions taken as appropriate. Greater attention should also be paid to the environmental impacts of completed projects. Full consultation with relevant parties should be undertaken at various stages of the project cycle.**

There is also considerable public scepticism about the overall quality of MDB projects and whether the MDBs are contributing to effective development, particularly in regions such as sub-Saharan Africa. Clearly, there is a need to better demonstrate results "on the ground" and to continue to press for higher quality projects.

- **One way to achieve this would be for the institutions to take better account of the lessons of experience from their past successes and failures. It would be useful to examine the possibility of introducing common standards and criteria for evaluation across these various institutions. This would not only help improve the exchange of information, but would ensure the consistency of project and program evaluations across different institutions. We would also encourage the IMF to establish its own independent evaluation unit.**

Developmental effectiveness can also be improved through efforts to strengthen policy coordination. While the traditional division of labour between the IMF and the World Bank makes good sense, operations would be improved if joint missions and program preparation were the norm both in areas of shared responsibility, such as financial sector reform and budget exercises, and where macroeconomic and structural issues interact.

- **For countries which are drawing on the resources of the Fund, efforts should be made to operationalize a more integrated approach. Where appropriate, the use of common policy framework papers should be encouraged.**

- **Scope may also exist to improve coordination between the World Bank and the RDBs, with each focusing on their core missions and through stronger cooperation where these intersect. The Development Committee Task Force might explore the scope for improved consultation on respective country programs with a view to a clearer division of the sectoral responsibilities of these institutions in individual member countries.**

- **The World Bank and the regional development banks should be encouraged to decentralize their operations wherever possible.**

- **The activities of the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA) must be more strongly integrated into the World Bank Group.**

Looking ahead, the MDBs will need to do more to better customize their services to meet the changing needs of many of their borrowing members. A key challenge will be to continue to increase the capacity of the private sector to provide services which, in most countries, have previously been provided by governments.

- **To catalyse greater private sector participation, the World Bank has introduced a new guarantee program which is aimed, in particular, at leveraging additional private flows for infrastructure investment. In the same vein, the World Bank and RDBs should work actively to expand their cofinancing arrangements with private and public financial institutions.**

- **To catalyse greater private sector flows, while assuring adequate risk sharing among public and private lenders, the World Bank Group should be encouraged to examine new public-private institutional arrangements which might better support the organization of private-led financial packages.**

Turning to debt, considerable progress has been made on the international debt strategy at recent Summits. Nevertheless, significant debt overhang problems clearly persist in a number of the poorest countries. Last December, as called for at the Naples Summit, the Paris Club of creditor governments agreed to increase the level of debt reduction to (up to) 67 percent for the most severely-indebted, low-income countries and to operationalize a "stock of debt" approach. We welcome the Paris Club's progress to improve the treatment of the debt of these countries and urge the full and constructive implementation of Naples terms, a step that is in the interest of both debtors and creditors.

- **To address the overall debt burdens of these countries in a comprehensive manner, a coordinated approach should be maintained to official bilateral, commercial, and multilateral debt, and special attention should be paid to the prevention of future debt problems.**

- **Further study on a country-by-country basis needs to be made of the extent and nature (by institution and type of debt) of the problems faced, in order to determine where innovative approaches are most appropriate.**

There is general agreement that measures have to be taken to ensure that the burden of multilateral debt does not impede the growth prospects for the poorest countries. Exit strategies need to be found for countries with particularly high levels of multilateral debt, but with good track records.

- **The IMF and World Bank should take the lead in developing a comprehensive multilateral approach to assist countries with multilateral debt and debt-service ratios above prudent levels in addressing their debt burdens, through the flexible implementation of existing instruments, and new mechanisms where necessary.**

- **Thought should be given to the better use of all existing IMF and World Bank resources and further consideration of appropriate measures in the multilateral development banks, to advance this objective.**

- **An important part of any resolution of these debt problems will be the availability of financing on more highly concessional or grant terms. Thought also should be given to increasing the share of official bilateral assistance directed to the poorest countries and the degree of concessionality in such assistance.**

Disasters and other crises have demonstrated gaps in the institutional machinery. To help resolve emerging crises, the Bretton Woods institutions and the UN should establish a new coordination procedure, supported as necessary by existing resources, to facilitate a smooth transition to the rehabilitation phase in countries emerging from economic or political crisis, and to cooperate more effectively with donor countries.

Strengthening Governance and Management

A number of key governance mechanisms of the international system have become less effective in recent years. There is a clear need to redesign and refocus a number of these mechanisms if they are to have a more meaningful role.

Consideration might be given to two options to reinvigorate the Interim and Development Committees. The first option could be to create a new forum with a broader mandate than the current Interim and Development Committees. Under this option, the Interim and Development Committees could be reconstituted into a single joint Fund-Bank Committee to focus on global financial and development policy issues.

An alternative option might be to transform the Development Committee into a more effective policy steering committee with a relationship to the World Bank Group analogous to that of the Interim Committee to the IMF. Under both cases, it could be recommended that Ministerial attendance be limited to the Annual meetings. Discussions at the Spring meetings could then be at the level of senior officials.

The time has also come for international financial institutions to better prioritize their activities. In particular, these institutions need to actively address the growing overlap and unnecessary duplication of many of their activities. Not only would policy actions in this area yield welcome savings, but they could also contribute to greater policy coherence throughout the IFI system.

- **There appears to be scope to reduce overlap in the area of macroeconomic surveillance. In this area, the IMF and the OECD have sometimes come to perform similar surveillance. The OECD should give relative priority to structural issues without neglecting its traditional macroeconomic studies, which are necessary to enable sound evaluation of structural policies. These studies could focus more on medium term prospects.**

Finally, there is a need for these institutions to clearly demonstrate their commitment to cost effectiveness.

- **In line with this, those institutions which have already begun to formulate and implement plans to effect significant reductions in their operating costs should be encouraged in their work. Those institutions yet to begin such a process should be urged to do so during upcoming budget exercises with a view to achieving measurable results over the next few years.**

Such plans could help to reinforce the pressure on many of these institutions to better prioritize their activities. It should also be stressed that these savings need not necessarily come at a cost to the services that are provided to borrowing members, if this leads to the creation of leaner and "smarter" institutions.

9. Other Institutions and Issues

The broader Halifax process will also need to review the coherence of the overall system of international institutions. The international community has a strong interest in eliminating duplication between the IFIs and the UN system and operating these institutions on as cost efficient a basis as possible.

Attention also needs to be paid to the synergies, as well as potential overlap, between the World Trade Organization and the various trade-related activities of other international institutions.

- **The WTO needs to become a strong force for open markets and the continued liberalization of world trade. To ensure that it has a credible leadership role, it will be essential that the WTO's activities are closely coordinated with the IMF, World Bank, OECD and trade-related UN bodies to avoid unnecessary duplication in their activities.**

Halifax Summit

COMMUNIQUE

June 15 - 17, 1995

SOMMET HALIFAX SUMMIT
1995

HALIFAX SUMMIT COMMUNIQUE

PREAMBLE

1. We, the Heads of State and Government of seven major industrialized nations and the President of the European Commission, have met in Halifax for our 21st annual Summit. We have gathered at a time of change and opportunity, and have reaffirmed our commitment to working together and with our partners throughout the world.

GROWTH AND EMPLOYMENT

2. The central purpose of our economic policy is to improve the well being of our people, allowing them to lead full and productive lives. Creating good quality jobs and reducing unemployment, which remains unacceptably high in too many of our countries, is thus an urgent priority for all of us. We are committed to establishing an economic environment conducive to the accomplishment of this goal.

3. We remain encouraged by the continued strong growth in much of the world's economy. While there has been some slowing, in most of our countries the conditions for continued growth appear to be in place and inflation is well under control. We will pursue appropriate macroeconomic and structural policies to maintain the momentum of growth.

4. Yet problems remain. Internal and external imbalances, together with unhelpful fluctuations in financial and currency markets, could jeopardize achievement of sustained, non-inflationary growth as well as the continued expansion of international trade.

5. We remain committed to the medium-term economic strategy that we earlier agreed upon. Consistent with it, we are determined to make the best possible use of the current economic expansion by taking steps to promote durable job creation. This requires determined action to further reduce public deficits, to maintain a non-inflationary environment and to increase national savings for the funding of a high level of global investment. Each country has to keep its own house in order.

6. We endorse the conclusions reached by G-7 Finance Ministers in Washington and ask them to maintain close cooperation in economic surveillance and in exchange markets.

7. Good fiscal and monetary policies will not on their own deliver the full fruits of better economic performance. We must also remove obstacles to achieving the longer-term potential of our economies to grow and create secure, well-paying jobs. This will require measures to upgrade the skills of our labour force, and to promote, where appropriate, greater flexibility in labour markets and elimination of unnecessary regulations. At Naples we committed ourselves to a range of reforms in the areas of training and education, labour market regulation and adjustment, technological innovation and enhanced competition. As we pursue these reforms, we welcome the initiation by the OECD of a detailed review of each member economy's structural and employment policies.

8. As a follow up to our discussions, we agree to ask ministers to meet in France before our next Summit to review the progress made in job creation and consider how best to increase employment in all of our countries.

9. We are also committed to ensuring protection for our aging populations and those in need in our societies. To this end, some of our countries must take measures to ensure the sustainability of our public pension programs and systems of social support. Similar attention is required in some of our countries to ensuring the availability of private sector pension funds.

10. We welcome the results of the G-7 Information Society conference held in Brussels in February, including the eight core policy principles agreed to by Ministers, and encourage implementation of the series of pilot projects designed to help promote innovation and the spread of new technologies. We also welcome the involvement of the private sector. We encourage a dialogue with developing countries and economies in transition in establishing the Global Information Society, and welcome the proposal that an information society conference be convened in South Africa in spring 1996.

MEETING THE CHALLENGES OF THE 21ST CENTURY

11. International institutions have been central to our pursuit of stability, prosperity and equity for the past 50 years. Last year, in Naples, we called for a review of the international institutions to ensure that they are equipped to deal effectively with the challenges of the future. Today, in Halifax, we are proposing some concrete steps toward this goal. All countries have a stake in effective, efficient institutions. We pledge our full energies to strengthening the institutions in partnership with their entire membership to enhance the security and prosperity of the world.

Strengthening the Global Economy

12. The world economy has changed beyond all recognition over the last fifty years. The process of globalization, driven by technological change, has led to increased economic interdependence: this applies to some policy areas seen previously as purely domestic, and to interactions between policy areas. The major challenge confronting us is to manage this increased interdependence while working with the grain of markets, and recognizing the growing number of important players. This is especially important in the pursuit of global macroeconomic and financial stability.

13. Close consultation and effective cooperation on macroeconomic policies among the G-7 are important elements in promoting sustained non-inflationary growth avoiding the emergence of large external and internal imbalances, and promoting greater exchange market stability. Our Ministers have adopted a number of changes to the structure of their consultations over time, in order to strengthen policy cooperation, including enhanced consultation with the IMF.

14. The growth and integration of global capital markets have created both enormous opportunities and new risks. We have a shared interest in ensuring the international community remains able to manage the risks inherent in the growth of private capital flows, the increased integration of domestic capital markets, and the accelerating pace of financial innovation.

15. The developments in Mexico earlier this year and their repercussions have sharpened our focus on these issues. We welcome the recent more positive turn of events in Mexico, as well as the positive developments in a number of emerging economies.

16. The prevention of crisis is the preferred course of action. This is best achieved through each country pursuing sound fiscal and monetary policies. But it also requires an improved early warning system, so that we can act more quickly to prevent or handle financial shocks. Such a system must include improved and effective surveillance of national economic policies and financial market developments, and fuller disclosure of this information to market participants. To this end, we urge the IMF to:

- establish benchmarks for the timely publication of key economic and financial data;
- establish a procedure for the regular public identification of countries which comply with these benchmarks;
- insist on full and timely reporting by member countries of standard sets of data, provide sharper policy advice to all governments, and deliver franker messages to countries that appear to be avoiding necessary actions.

17. If prevention fails, financial market distress requires that multilateral institutions and major economies be able to respond where appropriate in a quick and coordinated fashion. Financing mechanisms must operate on a scale and with the timeliness required to manage shocks effectively. In this context, we urge the IMF to:

- establish a new standing procedure -- "Emergency Financing Mechanism"-- which would provide faster access to Fund arrangements with strong conditionality and larger upfront disbursements in crisis situations.

18. To support this procedure, we ask:

- the G-10 and other countries with the capacity to support the system to develop financing arrangements with the objective of doubling as soon as possible the amount currently available under the GAB to respond to financial emergencies;

19. To ensure that the IMF has sufficient resources to meet its ongoing responsibilities, we urge continued discussions on a new IMF quota review.

20. Solid progress on the elements discussed above should significantly improve our ability to cope with future financial crises. Nevertheless, these improvements may not be sufficient in all cases. In line with this, and recognizing the complex legal and other issues posed in debt crisis situations by the wide variety of sources of international finance involved, we would encourage further review by G-10 Ministers and Governors of other procedures that might also usefully be considered for their orderly resolution.

21. We continue to support the inclusion of all IMF members in the SDR system. Moreover, we urge the IMF to initiate a broad review of the role and functions of the SDR in light of changes in the world financial system.

22. Closer international cooperation in the regulation and supervision of financial institutions and markets is essential to safeguard the financial system and prevent an erosion of prudential standards. We urge:

- a deepening of cooperation among regulators and supervisory agencies to ensure an effective and integrated approach, on a global basis, to developing and enhancing the safeguards, standards, transparency and systems necessary to monitor and contain risks;

- continued encouragement to countries to remove capital market restrictions, coupled with strengthened policy advice from international financial institutions on the appropriate supervisory structures;

- Finance ministers to commission studies and analysis from the international organizations responsible for banking and securities regulations and to report on the adequacy of current arrangements, together with proposals for improvement where necessary, at the next Summit.

23. We also recognize that international financial fraud is a growing problem. We are committed to improving communication between regulators and law enforcement agencies.

Promoting Sustainable Development

24. A higher quality of life for all people is the goal of sustainable development. Democracy, human rights, transparent and accountable governance, investment in people and environmental protection are the foundations of sustainable development. The primary responsibility rests with each country but bilateral and multilateral international cooperation is essential to reinforce national efforts. We are committed to securing substantial flows of funds and to improving the quality of our assistance.

25. IDA plays an indispensable role in helping to reduce poverty and integrate the poorest countries into the global economy. We urge all donor countries to fulfil promptly their commitments to IDA-10 and to support a significant replenishment through IDA-11. We look forward to the recommendations of the Development Committee's Task Force on Multilateral Development Banks.

26. Multilateral institutions play a crucial role by providing intellectual leadership and policy advice, and by marshalling resources for countries committed to sustainable development. The United Nations and the Bretton Woods institutions should build on their respective strengths. The UN offers a unique forum for consensus building on global priorities, is an advocate for core values, and responds to development and humanitarian needs. The Bretton Woods institutions have a particular role in promoting macroeconomic stability, in supporting favourable environments for sustainable development and in mobilizing and transferring resources for development. We will work with the organizations and all their members to ensure relevant multilateral institutions:

- make sustainable development a central goal of their policies and programmes, including by intensifying and deepening the integration of environmental considerations into all aspects of their programmes;
- encourage countries to follow sound economic, environmental and social policies and to create the appropriate legal and structural framework for sustainable development;
- encourage countries to follow participatory development strategies and support governmental reforms that assure transparency and public accountability, a stable rule of law, and an active civil society;
- encourage the development of a healthy private sector, expand guarantees and co-financing arrangements to catalyze private flows, and increase credit for small and medium-sized enterprises;
- continue to provide resources for the infrastructure needed for sustainable development, where these are not available from the private sector.

27. We agree on the need to actively support the peace process in the Middle-East. Such support would include the establishment of a new institution and financing mechanism enhancing regional cooperation. We therefore urge the Task Force already at work to continue its deliberations with an aim to arriving at a suitable proposal in time for the Amman summit next October.

Reducing Poverty

28. An overriding priority is to improve the plight of the world's poor. Persistence of extreme poverty and marginalization of the poorest countries is simply not compatible with universal aspirations for prosperity and security. Sub-Saharan Africa faces especially severe challenges. We will work with others to encourage relevant multilateral institutions to:

- focus concessional resources on the poorest countries, especially those in Sub-Saharan Africa, which have a demonstrated capacity and commitment to use them effectively, and take trends in military and other unproductive spending into account in extending assistance;

- direct a substantially increased proportion of their resources to basic social programmes and other measures which attack the roots of poverty.

29. We welcome the Paris Club response to our encouragement last year to improve the treatment of the debt of the poorest countries and urge the full and constructive implementation of the Naples terms. We recognize that some of the poorest countries have substantial multilateral debt burdens. We will encourage:

- the Bretton Woods institutions to develop a comprehensive approach to assist countries with multilateral debt problems, through the flexible implementation of existing instruments and new mechanisms where necessary;

- better use of all existing World Bank and IMF resources and adoption of appropriate measures in the multilateral development banks to advance this objective and to continue concessional ESAF lending operations.

30. Open markets throughout the world are also crucial to accelerated economic growth in the developing countries. Multilateral institutions should work to assist the integration of the poorest countries into the world trading system. We encourage the WTO to monitor and review the Uruguay Round's impact on the least developed countries.

Safeguarding the Environment

31. We place top priority on both domestic and international action to safeguard the environment. Environmental protection triggers the development and deployment of innovative technologies, which enhance economic efficiency and growth and help create long term employment. In their policies, operations and procurement, G-7 governments must show leadership in improving the environment. This will require the appropriate mix of economic instruments, innovative accountability mechanisms, environmental impact assessment and voluntary measures. Efforts must focus on pollution prevention, the "polluter pays" principle, internalization of environmental costs, and the integration of environmental considerations into policy and decision making in all sectors.

32. We underline the importance of meeting the commitments we made at the 1992 Rio Earth Summit and subsequently, and the need to review and strengthen them, where appropriate. Climate change remains of major global importance. We will work with others to:

- fulfil our existing obligations under the Climate Change Convention, and our commitments to meet the agreed ambitious timetable and objectives to follow up the Berlin Conference of the Parties;

- implement the medium term work program adopted pursuant to the Convention on Biological Diversity;

- conclude successfully the work of the CSD intergovernmental panel on forests, and promote a successful UN Conference on Straddling Fish Stocks and Highly Migratory Fish Stocks and international consensus at the next CSD session on action to deal with the problems of the world's oceans.

33. We encourage a clearer delineation of the mandates of the CSD and UNEP. CSD should be the global forum for identifying and agreeing upon long term strategic goals for sustainable development. UNEP should act as an international environmental voice and catalyst; it should focus on monitoring, assessment, and the development of international environmental law.

Preventing and Responding to Crises

34. Disasters and other crises complicate the development challenge and have exposed gaps in our institutional machinery. To help prevent and mitigate emerging crises, including those with human rights and refugee dimensions, we will ask:

- the UN Secretary General to explore means to improve the analysis and utilization of disaster and conflict-related early warning information, particularly through the High Commissioners on Human Rights and Refugees;

- the Bretton Woods institutions and the U.N. to establish a new coordination procedure, supported as necessary by existing resources, to facilitate a smooth transition from the emergency to the rehabilitation phase of a crisis, and to cooperate more effectively with donor countries;

- the bodies involved in the provision of humanitarian assistance to cooperate more closely with the Department of Humanitarian Affairs in its assigned coordination role.

Reinforcing Coherence, Effectiveness and Efficiency of Institutions

35. To fulfil their missions effectively into the future, multilateral institutions must continue to undertake reforms and to improve coordination and reduce overlap. The international financial institutions have shown flexibility in responding to the changing needs of the world economy; there nevertheless remain a number of areas where improvements are desirable to better prepare the institutions for the challenges ahead. We will encourage:

- the World Bank and the regional development banks to decentralize their operations wherever possible,

- the IMF and World Bank to concentrate on their respective core concerns (broadly, macroeconomic policy for the IMF and structural and sectoral policies for the World Bank);

- revision of the Ministerial committees of the IMF and World Bank to promote more effective decision-making;

- the World Bank Group to integrate more effectively the activities of the International Finance Corporation and the Multilateral Investment Guarantee Agency into its country assistance strategies;

- the multilateral development banks to coordinate their respective country programmes more effectively with bilateral and other multilateral donors.

36. So as to allow the United Nations better to meet the objectives in its Charter, we will encourage broadening and deepening the reform process already underway, and will work with others to:

- complete the Agenda for Development, which should set out a fresh approach to international cooperation and define the particular contribution expected of UN bodies;

- develop a more effective internal policy coordination role for the Economic and Social Council (ECOSOC); encourage deeper cooperation between UN and specialized agencies both at headquarters and in the field; consolidate and streamline organizations in the economic and social fields, such as humanitarian relief and development assistance; and encourage the adoption of modern management techniques, with a more transparent and accountable Secretariat;

- update and focus mandates to avoid duplication; eliminate overlaps with new organizations, eg. UNCTAD with WTO, and consider the roles of certain institutions in light of evolving challenges, eg. Regional Economic Commissions and UNIDO;

We call upon Member States to meet their financial obligations and urge early agreement on reform of the system of assessment.

37. To increase overall coherence, cooperation and cost effectiveness we will work with others to encourage:

- rationalization of data collection, analysis, priority setting, and reporting activities, and greater complementarity in the provision of assistance at the country level;

- improved coordination among international organizations, bilateral donors and NGOs;

- all institutions to formulate and implement plans to effect significant reductions in operating costs over the next few years.

Follow-up

38. These are our initial proposals to prepare multilateral institutions for the challenges of the next century. We intend to promote them actively, working together with the wider international community in all appropriate organizations. In particular, in the UN, we commit ourselves to working with other members to advance these goals. We will use the 50th anniversary celebrations in October 1995 to build consensus on these priorities with others. We will take stock at our meeting next year in France.

CREATING OPPORTUNITIES THROUGH OPEN MARKETS

39. We recognize that new investment and increased trade are vital to achieving our growth and employment objectives. In a global market, opportunities for domestic and foreign producers and suppliers of goods and services depend as much on domestic policies as on external barriers. In order to improve market access, we intend to work for the reduction of remaining internal and external barriers.

40. We will implement the Uruguay Round Agreements fully, and reaffirm our commitment to resist protectionism in all its forms. We will build on the Agreements to create new opportunities for growth, employment and global cooperation. We will work together and with our trading partners to consolidate the WTO as an effective institution, and are committed to ensuring a well-functioning and respected dispute settlement mechanism. We endorse closer cooperation between the WTO and other international economic institutions. We recognize the importance of enhancing the transparency of the WTO.

41. We support accession to the WTO in accordance with the rules that apply to all of its members and on the basis of meaningful market access commitments. We are committed to ensuring that our participation in regional trade initiatives continues to be a positive force for the multilateral system.

42. The momentum of trade liberalization must be maintained. We are committed to the successful completion of current negotiations in services sectors and, in particular, significant liberalization in financial and telecommunications services. We will proceed with follow-up work foreseen in the Uruguay Round Final Act. We encourage work in areas such as technical standards, intellectual property and government procurement; an immediate priority is the negotiation in the OECD of a high standard multilateral agreement on investment. We will begin discussions on investment with our partners in the WTO. We recognize that initiatives such as regulatory reform have a particularly important contribution to make to trade liberalization and economic growth by removing administrative and structural impediments to global competition.

43. Consistent with the goal of continued trade liberalization, we will pursue work on:

- trade and environment to ensure that rules and policies in these different areas are compatible;
- the scope for multilateral action in the fields of trade and competition policy;
- trade, employment and labour standards.

44. We will work together with our partners in the WTO and other appropriate fora to create the basis for an ambitious first WTO Ministerial Meeting in Singapore in 1996.

ECONOMIES IN TRANSITION

45. We recognize the progress of many countries in transition toward democratic, market-based societies. Early and determined macroeconomic stabilization has proven the most effective strategy to allow an early return to growth. To consolidate these gains, the process of far reaching structural reform must be pursued vigorously. We will continue our support for economic reform in the economies in transition, and their integration into the global trade and financial systems. We recognize their need for improved market access.

46. We welcome the good start Ukraine has made on its bold program of economic reform. The recent Stand-By Arrangement with the IMF provided the basis for substantial financial support by the international financial institutions and bilateral donors. We encourage Ukraine to continue its reform efforts in close cooperation with the international financial institutions. Assuming the continuation of strong economic reform, an additional $2 billion in commitments could be available from the international financial institutions by the end of 1996.

47. We are encouraged by Russia's renewed commitments to financial stabilization and economic reform. Continued political reform is also necessary. We believe that a stable political, regulatory and legal environment, and the development of a modern financial sector, together with the full implementation of the policy measures outlined in the recently-signed IMF Stand-By Arrangement, will promote Russian economic recovery. We welcome the June 3 Paris Club debt rescheduling agreement and recognize the relevance of a comprehensive multilateral treatment of Russia's external public debt. We also note Russia's interest in working in close cooperation with the Paris Club.

NUCLEAR SAFETY

48. Each country is responsible for the safety of its nuclear facilities. We welcome progress to date in improving levels of nuclear safety in the countries of central and eastern

Europe and the Newly Independent States. We congratulate President Kuchma of Ukraine on his decision to close the Chernobyl nuclear power plant by the year 2000. We reaffirm the commitments of support made last year at Naples under the G-7 Action Plan for Ukraine's Energy Sector. We are pleased to note the replenishment of the EBRD Nuclear Safety Account and the commitment of bilateral resources for short-term safety upgrades and preliminary decommissioning work for the closure of Chernobyl. We invite other donors to join with the G-7 countries in contributing funds for this purpose.

49. In order to assist the closure of Chernobyl, we will continue our efforts to mobilize international support for appropriate energy production, energy efficiency and nuclear safety projects. Any assistance for replacement power for Chernobyl will be based on sound cost-effective and environmental criteria. The World Bank and EBRD should continue their cooperation with Ukraine in devising a realistic long-term energy strategy. They should increase their financial contribution in support of appropriate energy sector reform and energy conservation measures, and mobilize private sector support for energy investments.

NEXT SUMMIT

50. We have accepted the invitation of the President of France to meet in Lyon from June 27th to 29th, 1996.

Halifax, June 16, 1995

Points on the Emergency Financing Mechanism and the GAB

How would the new Mechanism work?

It would provide faster and larger access to IMF resources in crises such as Mexico's. These IMF credits, with strong conditionality, would be supported by a doubling of financing now available to the IMF under the GAB.

What's the GAB?

The General Arrangements to Borrow is a standing credit line to the IMF, established in 1962, which can be activated in the event of a threat to the stability of the financial system, and/or an insufficiency of permanent IMF resources.

How large is it?

The amount currently available under the GAB is 17.5 billion SDRs or nearly $27 billion. Including the associated arrangement with Saudi Arabia of 1.5 billion SDRs, the total comes to SDR 19.0 billion ($29 billion).

Who are the existing participants?

The "Group of Ten" industrial countries. (Actually, 11 countries -- the G-7 plus Belgium, Netherlands, Sweden and Switzerland.)

Has it ever been used?

Yes, it has been activated nine times, most recently in 1978.

Why doesn't this magnify moral hazard problems?

It could only be deployed in exceptional circumstances, with agreement of the major creditors, and only to support programs with strong conditionality.

Does it require Congressional approval?

An increase in the U.S. contribution would require Congressional authorization and appropriation, but under current procedures no outlays. The latter feature reflects recognition (also applicable to transactions under the quota subscription to the IMF) that drawings on the GAB are equivalent to an exchange of assets rather than a loan or expenditure -- a drawing gives rise to an offsetting U.S. claim on the IMF that is liquid and interest-bearing.

What other countries do you expect to get to participate?

Those countries which have a stake in the stability of the international financial system and have a sufficiently strong financial position to be able to contribute to a new arrangement.

June 16, 1995

AUCTION RESULTS

PUBLIC DEBT NEWS

Department of the Treasury • Bureau of the Public Debt • Washington, DC 20239

LIBRARY ROOM 5310
JUN 28 1995
DEPT. OF THE TREASURY

FOR IMMEDIATE RELEASE
June 19, 1995

CONTACT: Office of Financing
202-219-3350

RESULTS OF TREASURY'S AUCTION OF 13-WEEK BILLS

Tenders for $14,252 million of 13-week bills to be issued June 22, 1995 and to mature September 21, 1995 were accepted today (CUSIP: 912794T38).

RANGE OF ACCEPTED COMPETITIVE BIDS:

	Discount Rate	Investment Rate	Price
Low	5.44%	5.61%	98.625
High	5.46%	5.63%	98.620
Average	5.46%	5.63%	98.620

Tenders at the high discount rate were allotted 80%.
The investment rate is the equivalent coupon-issue yield.

TENDERS RECEIVED AND ACCEPTED (in thousands)

	Received	Accepted
TOTALS	$45,738,721	$14,252,087
Type		
Competitive	$40,511,002	$9,024,368
Noncompetitive	1,374,409	1,374,409
Subtotal, Public	$41,885,411	$10,398,777
Federal Reserve	3,249,310	3,249,310
Foreign Official Institutions	604,000	604,000
TOTALS	$45,738,721	$14,252,087

5.45 - 98.622

RR-380

AUCTION RESULTS

PUBLIC DEBT NEWS

Department of the Treasury • Bureau of the Public Debt • Washington, DC 20239

JUN 20 95 002852
DEPT. OF THE TREASURY

FOR IMMEDIATE RELEASE
June 19, 1995

CONTACT: Office of Financing
202-219-3350

RESULTS OF TREASURY'S AUCTION OF 26-WEEK BILLS

Tenders for $14,341 million of 26-week bills to be issued June 22, 1995 and to mature December 21, 1995 were accepted today (CUSIP: 912794W26).

RANGE OF ACCEPTED COMPETITIVE BIDS:

	Discount Rate	Investment Rate	Price
Low	5.40%	5.64%	97.270
High	5.42%	5.67%	97.260
Average	5.42%	5.67%	97.260

Tenders at the high discount rate were allotted 24%.
The investment rate is the equivalent coupon-issue yield.

TENDERS RECEIVED AND ACCEPTED (in thousands)

	Received	Accepted
TOTALS	$50,216,720	$14,340,983
Type		
Competitive	$42,461,265	$6,585,528
Noncompetitive	1,219,655	1,219,655
Subtotal, Public	$43,680,920	$7,805,183
Federal Reserve	3,550,000	3,550,000
Foreign Official Institutions	2,985,800	2,985,800
TOTALS	$50,216,720	$14,340,983

5.41 - 97.265

RR-381

DEPARTMENT OF THE TREASURY

TREASURY NEWS

OFFICE OF PUBLIC AFFAIRS • 1500 PENNSYLVANIA AVENUE, N.W. • WASHINGTON, D.C. • 20220 • (202) 622-2960

FOR IMMEDIATE RELEASE
Text as Prepared for Delivery
June 20, 1995

STATEMENT OF DARCY BRADBURY
DEPUTY ASSISTANT SECRETARY OF THE TREASURY
FOR FEDERAL FINANCE
BEFORE THE SUBCOMMITTEE ON EDUCATION, ARTS, AND HUMANITIES
OF THE COMMITTEE ON LABOR AND HUMAN RESOURCES
UNITED STATES SENATE

RR-382

STATEMENT OF DARCY BRADBURY
DEPUTY ASSISTANT SECRETARY OF THE TREASURY
FOR FEDERAL FINANCE BEFORE THE
SUBCOMMITTEE ON EDUCATION, ARTS,
AND HUMANITIES OF THE
COMMITTEE ON LABOR AND HUMAN RESOURCES
UNITED STATES SENATE
JUNE 20, 1995

Chairman Jeffords and members of the Subcommittee, on behalf of Secretary Rubin, I welcome the opportunity to appear before you today to discuss the Administration's proposals to cut the ties to the Federal Government of two Government-sponsored Enterprises (GSEs) -- the Student Loan Marketing Association (Sallie Mae) and the College Construction Loan Insurance Association (Connie Lee). The Treasury has for a number of years, in Democratic and Republican Administrations, believed that it is appropriate to wean a GSE from Federal sponsorship once the GSE becomes economically viable and successfully fulfills the purpose for which it was created with Federal sponsorship, or when the purpose for which it was created ceases to exist.

The GSEs expose the Government to the market perception of implicit risk that legislation would be enacted to prevent a GSE from defaulting on its obligations. As the Treasury said in its 1990 Report on GSEs[1]:

---

[1] Report of the Secretary of the Treasury on Government-sponsored Enterprises, May 1990, page 1. This 1990 Report was required under section 1404 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA)(P.L. 101-73).

> The market perception of Federal backing for GSEs weakens the normal relationship between the availability and cost of funds to the GSEs and the risks that these enterprises assume . . . The prospect that Congress would use taxpayer funds to prevent the failure of a GSE is perceived in the securities markets as protecting investors in GSE debt securities or GSE-guaranteed securities from loss . . .

In April 1991, as required by FIRREA and the Omnibus Budget Reconciliation Act of 1990[2], the Treasury followed up with a further report on the GSEs.[3] The 1991 Report reiterated statements of concern about the Government's risk exposure to the GSEs. At the Treasury's request, as part of the 1991 Report, Standard and Poors (S&P) assessed the likelihood that a GSE would be able to meet its future obligations from its own resources and expressed that likelihood as a traditional credit rating. S&P gave a triple-A credit rating to Sallie Mae. Connie Lee had obtained a triple-A credit rating from S&P previously, and in March 1990, S&P indicated to the Treasury that Connie Lee's status as a GSE was not a factor in granting the triple-A rating to Connie Lee as a bond reinsurer.

In 1992, legislation was enacted to provide for Federal financial safety and soundness oversight of the housing-related GSEs -- the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation -- and Sallie Mae to mitigate the perception of implicit risks to the Government. Federal

---

[2] Public Law 101-508, section 13501.

[3] Report of the Secretary of the Treasury on Government-sponsored Enterprises, April 1991, or the 1991 Report.

oversight of the Farm Credit System had been tightened earlier as a result of problems that arose and required Federal assistance in the mid-1980s.

As a general principle, we believe that the Government and the GSEs would benefit from removal of the Government ties because privatizing the GSEs would:

- -- Reduce the amount of GSE debt, over time, that carries some perception of U.S. Government support;
- -- Demonstrate our commitment to moving from creating effective public-private partnerships to then enabling complete privatization when Government support for an activity is no longer needed;
- -- Show the financial markets that the Government respects the interests of private bond- and shareholders; and
- -- Support Federal efforts to create new GSEs in the future, when appropriate, by demonstrating that the Federal relationship can be severed when the time is right. A business operation that starts as a GSE with a limited charter can be freed to operate in other markets once it has fulfilled the purpose for which it was created.

Sallie Mae

Under a statute enacted in 1992,[4] the Treasury has a special relationship with Sallie Mae as its financial safety and soundness regulator. We have reviewed Sallie Mae's financial condition and can see their successes to date and challenges for the future. Sallie Mae increased its use of leverage and its balance sheet grew rapidly in the 1980s, when it expanded market share in response to opportunities arising from amendments to its charter. Sallie Mae benefitted from relatively low-cost GSE funding through the early 1990s. The company's earnings record was especially strong in 1992, 1993, and early 1994, when market interest rates were low and Sallie Mae was able to capture windfall profits as a result of a floor on the interest rate on most of its student loan assets. Since then, however, return on assets and net interest margin have been negatively impacted by a rise in market rates of interest and shifts towards lower yielding assets.

The financial environment for Sallie Mae has changed since enactment of the Student Loan Reform Act of 1993[5], which amended the Higher Education Act to reduce the returns on guaranteed student loans and to impose a 30 basis point fee on all

---

[4] P.L. 102-325, enacted on July 23, 1992, added subsection 439(r) to the Sallie Mae charter in the Higher Education Act of 1965 (20 U.S.C. 1087-2(r)), providing a capital standard for Sallie Mae and for Treasury financial safety and soundness oversight.

[5] P.L. 103-66. Subtitle A of the Omnibus Budget Reconciliation Act of 1993.

guaranteed student loans purchased by Sallie Mae after August 10, 1993. Even more significantly, the Act also established the Federal Direct Student Loan Program (now the William D. Ford Federal Direct Loan Program), under which loan capital is provided directly to student and parent borrowers by the Federal Government rather than through private lenders.

The Student Loan Reform Act authorizes the Department of Education to fund as direct loans up to 60 percent of the total of new guaranteed and direct loan volume combined in the 1998 academic year. The Act further provides that the proportion of direct loans may rise above 60 percent, if the Secretary of Education "determines that a higher percentage is warranted by the number of institutions of higher education that desire to participate in the program . . . and that meet the eligibility requirements for such participation."[6]

The Direct Student Loan Program is one of the President's top priorities. The Administration, in the Budget for FY 1996, proposed implementation of 100-percent direct lending (new loan volume) in 1997. Consistent with the implementation of direct lending under current law, the Administration has been studying options for the future of Sallie Mae, including in particular, restructuring the company into a fully private company. As noted above, privatizing Sallie Mae would significantly benefit the U.S. Government. In addition, removing Federal ties would mean

---

[6] Subsection 453(a) of the HEA of 1965, as amended (20 U.S.C. 1087c(a)).

that the restrictions on Sallie Mae's business operations under its current charter would cease to exist and that Sallie Mae could engage in profit-making activities that it cannot enter into as a GSE.

In any restructuring, currently outstanding Sallie Mae debt would retain the characteristics of GSE debt, and customers with pre-existing commitments with the GSE would not be affected. Any new debt issued by a private company successor to Sallie Mae would not possess the characteristics of GSE debt.

The Administration believes that the benefits to be gained by the Government and Sallie Mae from privatization, in the context of continued expansion of the Direct Student Loan Program, are such that Congress should favorably consider legislation to authorize Sallie Mae's management to form a fully private company and to wind down the GSE during a transition period.

In this connection, we have been working with the Department of Education, the Office of Management and Budget, the Domestic Policy Council, the National Economic Council, Sallie Mae, and Congressional staff to develop legislation to privatize Sallie Mae. Moreover, on May 3, I testified in general support of privatization before two subcommittees of the House.[7]

---

[7] Subcommittee on Postsecondary Education, Training and Lifelong Learning of the Committee on Economic and Educational Opportunities and the Subcommittee on National Economic Growth, Natural Resources and Regulatory Affairs of the Committee on Government Reform and Oversight.

I am encouraged that the House Committee on Economic and Educational Opportunities voted on June 8 to report a bill that provides for privatizing Sallie Mae. The Administration supports many of the provisions of the reported bill, which we understand may be amended before the bill is sent to the floor. Nonetheless, I also believe there are some differences which should be worked out to the satisfaction of the Administration, Congress, and Sallie Mae.

As I indicated at that time, we are working on an Administration draft bill, which we look forward to sharing with Congress in the near future. The key elements of our privatization proposal are:

-- The Sallie Mae Board of Directors would be authorized to carry out a reorganization -- which would be voted upon by the holders of Sallie Mae common shares -- under which Sallie Mae the GSE would become a wholly-owned subsidiary of an ordinary state-chartered holding company whose other subsidiaries could engage in other businesses;

-- If the shareholders choose not to proceed with a reorganization, Sallie Mae would prepare a plan for an orderly termination of the Association that would ensure that the GSE will meet its ongoing capital requirements and have adequate assets to transfer to a trust to ensure payment of outstanding GSE debt obligations.

-- After the decision by the shareholders, Sallie Mae would enter a wind down period during which new business activities of the GSE would be restricted and new debt issued by the GSE would be restricted as to purpose and maturity;

-- During the wind down, excess capital of the GSE could be transferred to the new private holding company or paid out to shareholders subject to continued compliance with the GSE's statutory capital requirements;

-- The GSE would be protected from the financial failure of the holding company or its other subsidiaries in the event of reorganization;

-- The GSE would cease to exist at a certain point in time and its remaining assets and liabilities would be liquidated;

-- The bill would be deficit-neutral; and

-- As a form of "exit fee", to recognize the benefits Sallie Mae has received because of its GSE status, the legislation would enable the United States to participate in the success of the company, for example through the issuance of stock warrants.

The Administration will also propose that certain provisions be included in the privatization bill to facilitate Government oversight of the relationship between the GSE and, if applicable, the new private company during the wind down period. The Administration bill will provide that:

-- The reorganization plan and other actions of the GSE during the wind down period be subject to certain reviews by the Departments of Education and Treasury;

-- The Government's financial safety and soundness oversight and enforcement authorities over the GSE be enhanced and the minimum capital ratio of the GSE be increased gradually during the wind down period;

-- The Secretary of the Treasury be authorized to collect an annual assessment to pay the Treasury's reasonable costs and expenses for carrying out its oversight responsibilities over the GSE during the wind down; and

-- The new company and any of its nonGSE subsidiaries be prohibited from using the name Student Loan Marketing Association, Sallie Mae, or any variation on that name in securities offerings in order to prevent confusion in the financial markets.

Connie Lee

The Administration transmitted legislation in May to convert Connie Lee to a fully private enterprise. Congress structured Connie Lee as a private, for-profit corporation, but provided for a limited infusion of Federal capital in the form of stock purchases by the Secretary of Education in order to get the corporation started. Congress clearly intended the Federal Government's direct interest in Connie Lee to diminish and eventually terminate,[8] as evidenced by the statutory limitations

---

[8] U.S. Congress, House, Committee on Education and Labor, Higher Education Amendments of 1985, 99th Congress, 1st sess., 1985, H. Rept. 99-383 to accompany H.R. 3700, page 74.

on purchases of stock by the Secretary of Education and the authorization of the sale of such stock.

The Administration's legislation severs all Federal ties with Connie Lee, largely by requiring that the Connie Lee stock that is held by the Department of Education be sold by a date to be specified in the bill[9]. The legislation would eliminate Federal appointment of directors as well as all business restrictions. In marketing securities, Connie Lee would have to notify potential investors of these changes to reduce the risk of confusion regarding its status. The Treasury is prepared to act on behalf of the Department of Education to sell the Government's stake in Connie Lee. Thus, Connie Lee would be permitted to pursue business opportunities and the Federal Government would be free of any perception of implied risk that it would be called upon to provide assistance in the unlikely event that Connie Lee gets into financial difficulty.

Conclusion

We appreciate the opportunity to testify on these two proposals. Privatization, if implemented in a careful and deliberate manner, can benefit the U.S. Government and taxpayers, as well as Sallie Mae's and Connie Lee's stockholders, and the students and schools we are all trying to serve.

I will be glad to answer any questions that you may have.

---

[9] In the 1990 Report, the Treasury proposed that the Federal Government sell its Connie Lee stock when it had authority to do so (February 1992).

DEPARTMENT OF THE TREASURY

TREASURY NEWS

OFFICE OF PUBLIC AFFAIRS • 1500 PENNSYLVANIA AVENUE, N.W. • WASHINGTON, D.C. • 20220 • (202) 622-2960

FOR IMMEDIATE RELEASE
Text as Prepared for Delivery
June 20, 1995

ORAL STATEMENT OF ROBERT E. RUBIN
CHAIRMAN OF THE THRIFT DEPOSITOR PROTECTION OVERSIGHT BOARD
BEFORE THE COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS
UNITED STATES SENATE

RR-383

ORAL

STATEMENT OF THE CHAIRMAN
THRIFT DEPOSITOR PROTECTION OVERSIGHT BOARD
BEFORE THE COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS
OF THE UNITED STATES SENATE
ROOM 534 DIRKSEN SENATE OFFICE BUILDING
JUNE 20, 1995

Mr. Chairman, Senator Sarbanes, and members of the Committee. I am pleased to appear before you this afternoon as Chairman of the Thrift Depositor Protection Oversight Board.

I am joined by the other members of the Oversight Board: Alan Greenspan, Chairman of the Federal Reserve Board; Ricki Helfer, Chairman of the Federal Deposit Insurance Corporation (FDIC); Jonathan Fiechter, Acting Director of the Office of Thrift Supervision (OTS); Robert Larson, Chairman of Taubman Realty Group; and Jack Ryan, Acting Chief Executive Officer of the Resolution Trust Corporation. We also are joined by Dietra Ford, Executive Director of the Oversight Board. While I will deliver the opening remarks for the entire Board, I plan to call on the Board members to address topics in their area of expertise.

The President has recently nominated Herbert F. Collins, Chairman of the Board of Boston Capital Partners, Inc., to serve as the other independent member of the Oversight Board. We look forward to his rapid confirmation. He will be a great asset as we oversee this final phase of the RTC's work.

This is my first appearance before Congress in this role, and it comes just over six months from the day the RTC will close its doors.

The Oversight Board's jurisdiction is limited. It reviews overall strategies, policies and goals established by the RTC for its activities. The Board is prohibited by statute from involvement in case-specific matters involving individual institutions, specific asset dispositions or generally the day-to-day operations of the RTC. Therefore Jack Ryan, who is Acting CEO of the RTC as well as a member of the Oversight Board, will address issues relating to the RTC's operations.

This is a time of tremendous change for the RTC as the FDIC/RTC Transition Task Force and its numerous subgroups have been meeting to plan the RTC's closing. Two of RTC's six field offices will have closed by the end of the month. The overall staff of the RTC has decreased from a peak of about 8,600, to about 5,400 on December 31, 1994, to approximately 5,000 at the end of May 1995.

It is possible to close the RTC entirely in December 1995, a year earlier than initially anticipated, because the job has been done rapidly and because the thrift industry overall is sound. On the other hand, the thrift industry's ROA is half of that of the banking industry, and there are 51 thrift institutions with $27.8 billion in assets classified as troubled institutions.

I want to use this opportunity to emphasize the importance of resolving the problems of the Savings Association Insurance Fund known as SAIF. One of the lessons that RTC has taught us is that not providing sufficient funding in a timely manner can result in very costly problems that will ultimately fall on the taxpayers. This suggests we should move promptly to address the SAIF issues before a crisis develops.

RTC FUNDING

Over a period of six years, $105 billion has been provided for the RTC to protect deposits and pay for losses of failed thrifts. We expect the total actual loss funds used by the RTC will be approximately $87 billion to $95 billion. In view of early estimates, this effort should be viewed as a success.

RTC PROGRESS

The RTC has accomplished a great deal since its creation almost six years ago. In August 1989, the RTC immediately became responsible for 262 failed institutions with $114 billion in assets. As of today, the RTC has closed or sold a total of 747 failed institutions with more than $460 billion in assets. In the process, it has protected over 25 million deposit accounts, with average balances of $9000. In doing this, the government's guarantee of deposit insurance to millions of Americans was fulfilled.

At the same time, the largest asset liquidation project in our history was undertaken. Using all the methods available including auctions, securitizations, small investor offerings, Land Fund sales and others, most of the assets acquired from the nation's failed thrift institutions have been sold. As of today, more than $445 billion in assets have been sold or collected for approximately 87 percent of their book value.

This undertaking also has contributed to our national goals for affordable housing by selling more than 102,000 units under the RTC Affordable Housing Disposition Program.

When this Administration took office, the RTC had many problems that made it difficult to obtain Congressional approval of funding. Secretary Bentsen's nine management reforms -- increased to 21 reforms in the Completion Act -- were designed to reduce the cost and improve management of the RTC.

Today, I am pleased to report that all 21 management reforms contained in that funding legislation have been implemented by the RTC. Some, like the appointment of a Chief Financial Officer, have been completed. Others are ongoing. For instance, the preparation of a Business Plan with regular updates is now part of the RTC's regular procedures. And the Audit Committee, chaired by Oversight Board member Robert Larson, has been established and continues to meet regularly.

The RTC's accomplishments in addressing this financial crisis under very difficult circumstances have been many and while inevitably there have been problems, I believe that on balance, the RTC's record is one of considerable success.

THE TASK REMAINING

With just over six months before the RTC ceases all its operations, a large amount of time and effort is, of course, being devoted to the smooth transfer of remaining assets and responsibilities to the FDIC.

Closing down such a large and complex agency, and transferring its remaining responsibilities efficiently to another agency, is a complicated and time-consuming undertaking.
The structure for transition activities was provided by the RTC Completion Act.

The FDIC/RTC Transition Task Force, which consists of two RTC and two FDIC representatives, has been meeting regularly. It provided a report to Congress at the end of 1994 and will provide another report to Congress by July 1, 1995, as required by law.

Currently the RTC holds just over $20 billion of assets to be sold. When the FDIC takes over the RTC's responsibilities at the end of 1995, it is estimated that $8 billion in assets will remain to be sold. A large portion of those assets will be properties with serious environmental problems that make them difficult to sell. The balance of the inventory will be hard-to-sell assets that will take a good deal of FDIC time and effort to liquidate.

June 30, 1995, is the last date on which the RTC will accept additional thrifts. Thereafter, failed thrifts will be accepted by the FDIC for the SAIF.

On January 1, 1996, the FDIC will become responsible for administering all activities for which the RTC had been responsible. This will include not only asset disposition and resolution of any new thrifts acquired after July 1, 1995, but also the myriad of operational matters such as contract administration, financial administration, legal work and report submission.

As you know, all assets and liabilities that remain on the books of the RTC on its sunset date will transfer to the FSLIC Resolution Fund (FRF), which is managed by the FDIC. The FDIC then will become responsible for managing and disposing of those remaining assets as expeditiously and cost-effectively as possible.

The RTC and the FDIC are conducting a detailed review of the RTC's financial position to determine the appropriate level of contingency funding above reserves that might be necessary to absorb losses from adverse changes in economic conditions, current or potential litigation, and other factors beyond RTC's and FDIC's control.

In reviewing the determination of the RTC and FDIC regarding contingency funding above reserves, the Oversight Board will be mindful of the need to use the least amount of the taxpayers' money for the work remaining. It is also important to note that the funds approved will not be drawn down if the money is not needed.

THE OVERSIGHT BOARD

The Oversight Board structure and function was designed to provide ongoing policy oversight of the RTC. The sale of some $460 billion in assets by a new and independent Federal agency was a matter of great concern to Congress. Meeting six times a year, the Oversight Board members have a continuing dialogue with top RTC officials on their work, but do not become involved in case specific matters.

In 1994, the Oversight Board strengthened its review of the RTC's programs, policies and management practices and will continue throughout 1995 to undertake these reviews. The Board has continued to review the RTC's quarterly Financial Operating Plan, its internal controls, organizational goals and satisfaction of these goals. The Audit Committee, which I mentioned earlier, reviews audit findings by the General Accounting Office (GAO), the RTC Office of Contractor Oversight and Surveillance and the RTC Inspector General (IG). The Committee meets with the auditors and the RTC to ensure that issues raised by GAO and the IG are addressed satisfactorily. It also reviews financial operating reports and internal controls and financial statements of the Corporation.

Finally, the Oversight Board staff has administered the Regional and National Advisory Boards and the Affordable Housing Advisory Boards. These citizen advisory bodies have provided public input into the RTC decision-making process. The final meetings of the six Regional Advisory Boards will take place in June and July. Among the Advisory Boards' recommendations that had significant impact on RTC's policies are those in support of the Small Investor Program, support for seller financing in asset disposition, support for the use of securitization and auctions and support for greater efforts to ensure minority acquisition of thrifts.

The Board staff offices will close during 1996, after completing certain statutory reports and duties. The Board staff of approximately thirty people are Federal employees who do not have return rights to FDIC and will seek new employment when the office closes.

Much has been learned from the RTC's experience. These lessons ought not be lost. The Oversight Board staff is helping to ensure that they will not be. The RTC is preparing a history of the RTC involvement in the thrift crisis. While contributing to that effort, the staff also is working with the advisory boards to create a history of that process and their participation. Together, these documents will provide a ready source of information.

CONCLUSION

In conclusion, let me state that the RTC is on course toward closing and transferring its remaining responsibilities to the FDIC. We expect that not all of the funds appropriated will be spent by the RTC. As we close this chapter in the nation's history, we do so with a legacy of stronger financial institutions across this country.

Responses to the questions that FIRREA requires be addressed at these appearances are contained in Attachment I.

The members of the Oversight Board and I would be pleased to respond to any questions you may have. As I said earlier, I plan to call on the Board Members to address topics in their area of expertise.

DEPARTMENT OF THE TREASURY

TREASURY NEWS

OFFICE OF PUBLIC AFFAIRS • 1500 PENNSYLVANIA AVENUE, N.W. • WASHINGTON, D.C. • 20220 • (202) 622-2960

ADV 12:30 p.m. EDT
Text as prepared for delivery
June 20, 1995

REMARKS OF TREASURY SECRETARY ROBERT E. RUBIN
PUBLIC RADIO INTERNATIONAL "MARKETPLACE" LUNCHEON

I think one of the things I like most about public radio, is that it offers an almost unique opportunity to explain issues in something longer than a sound bite. That's enormously important with something as complicated as economics.

I was mentioning that the other day to one of your reporters, Marty Goldenson. We were talking about why we'll never have the kind of economy we want if we don't deal effectively with the problems of the inner city and bring these areas into the mainstream economy. I was in the Bronx looking at how neighborhoods and businesses are coming back because of changes we've made in community lending programs. The importance of having jobs and growth in our inner cities, instead of decay, means a great deal to our economy. You just can't pack that into a sound bite -- unless you want to say, "Where there was hopelessness there now is hope."

What I'd like to do today is talk about why what happens in the international economic arena is important to every American. Our future is now very directly related to what transpires on the economic front overseas because national economies are highly inter-related.

To set the stage, however, I first want to spend a moment on our debate over the budget here in Washington, because that will determine whether we properly prepare our economy to compete and succeed in the global economy.

The President has proposed bringing the federal budget into balance over 10 years. Taking $1.1 trillion from the budget in a decade is no easy task, but it makes a great deal more sense to reach balance with sensible policy choices in which you weigh and balance all the factors that affect the economy, rather than going to balance just to meet an arbitrary date. The latter leads to cuts driven by a time-line, not sound policy.

RR-384 (MORE)

In constructing his budget, the President asked: What is best for jobs? What is best for increasing incomes? He has built a budget that brings the deficit to zero, makes vigorous investments in education and training critical to our economic future, and deals with Medicare sensibly -- in the context of health care reform without reductions imposed on beneficiaries, and reductions only half the size of those proposed by the Republicans. The Republican budgets start with an arbitrary date for being in balance, 2002, and then by virtue of that arbitrary date make arbitrary and draconian cuts, without respect to the economic impact. Above that, the House version must make room for very significant tax cuts for Americans who are already well off, rather than the more modest reductions for middle-income Americans the President proposes.

That's the choice: going to balance based on sound policy decisions and the right investments for the future to increase jobs and living standards, or an arbitrary deadline that requires arbitrary cuts.

I want to say a word about investments for the future. By that, I believe, and more importantly the President believes, that we must invest in education and training. These investments are long-term business investments, not simply social programs.

I was in Indonesia recently meeting with finance ministers from Asia and the Pacific region. Most of those nations were impoverished 15 or 20 years ago and today have economies that are vastly improved and growing rapidly. Having spoken to these ministers, I can tell you that they view a long-term, sustained investment in education as indispensable to their success, and so should we.

I would also like to address the rather arcane subject of the numbers that underlie the balanced budget the president has offered.

Let's go back two and one-half years. The administration decided to use the numbers of the Congressional Budget Office for credibility, because past administrations had had so little credibility on numbers -- and we produced a remarkable program of deficit reduction that took no less than $500 billion out of the deficit. The president insisted then, as he insists today, on the soundest, most reliable numbers we can produce. Two and a half years into the process, we have earned our bona fides.

Thus, in developing a budget that goes to balance in 10 years, we made a careful judgment about what figures to use in making what we believe to be the most reliable projections out over the next decade, recognizing of course that there are uncertainties in long-range forecasting.

There is debate about those assumptions, and I want to illustrate the three areas where there are slight differences. In counting health care costs, we used the numbers produced by the career actuaries at the Department of Health and Human Services. These are career employees with no axe to grind, and they gave us their best professional judgment. The CBO used its own number. On growth rates, the figures we developed equals the average projections of the Blue Chip Forecast -- the top private sector forecasters who look five years out. The CBO number is slightly, I emphasize slightly, lower. And on inflation, our numbers are closer to the Blue Chip Forecast than the CBO number.

We used what in our judgment are the most reliable figures available, as opposed to figures that could require reductions that could adversely affect the economy. If it turns out that the more stringent forecasts are closer to what transpires in the economy over time -- and I emphasize that we believe our numbers are more reliable and I don't believe this will occur -- but should that be the case, mid-course corrections can be made.

This is an arcane area, as I said, but one in which I think public radio can contribute to a greater understanding in this debate.

There is one other point I want to make about budgeting, which is that one of the steps in devising a sound policy is reinventing the operations of government. For instance, not many people realize it but today the civilian federal work force, as a share of the total nonfarm work force, is at its lowest point in 60 years. And government is becoming more customer oriented and user friendly. That's what these times demand, and that is what we all are doing.

Just as there is a debate over the budget, there also is a debate over engaging internationally or turning our back on the challenges of the global environment. We strongly believe that dealing the issues and opportunities presented us by the global economy is in America's economic and national security interests.

There are three key elements in our approach: first, promoting open markets and free trade; second, leading in dealing with problems in the global financial markets that can undermine our economic and national security interests; and third, promoting economic reform and development in the developing nations and countries such as Russia where economies are in transition.

On the first point, one of the most useful ways to create jobs and improve living standards for Americans is to open markets and encourage free trade. That is why this administration worked so actively to pass NAFTA, and GATT, and create the new WTO. We are now working on creating a free trade zone throughout this hemisphere by 2005, and similarly throughout Asia and the Pacific by 2020.

I won't address myself to the issue of our trade talks with Japan right now, other than to observe that it is very difficult to enjoy the full benefits of free trade, and to support the concept of free trade politically around the world, when access to the second-largest economy is substantially lower than it is for the other major trading nations.

The second aspect of our approach is providing leadership in dealing with the problems in financial markets around the world that affect our interests. The President was a bit prescient last year at the Naples summit when he asked the G-7 nations to start examining changes in our international economic architecture that might be necessary in a new economic era.

The case of Mexico holds important lessons for all of us. In Halifax, we agreed that nations should provide the same kind of timely and sufficient disclosure of financial information that has served as the cornerstone of the United States' system of financial markets. We also asked the International Monetary Fund to provide enhanced global economic surveillance. And we reached general agreement on the need to develop within the international financial institutions the capacity to rapidly mobilize larger amounts of multilateral conditional financing for emergency situations.

I want to spend a moment on the final element of our approach to economic engagement -- encouraging reform and development in the transitioning economies and in the developing world. The debate about international engagement centers on this area, more specifically over funding that the United States provides to the international financial institutions -- the World Bank, the multilateral regional development banks, and the International Monetary Fund. It's a tiny amount of money -- 1 percent of the budget -- although many Americans are under the mistaken impression it's as much as 25 percent.

However, the debate is about whether this nation will exercise leadership to promote growth and development in developing nations and those in transition. That in turn will create larger markets and enhance our economic and national security interests. Without running through all the statistics, the developing world -- five-sixths of the world's population -- will be the engine of growth in the global economy in the years and decades ahead. Already 4 million American jobs depend on exports to the developing world. It is in the economic interest of every American to see to it that these nations grow and prosper, and so provide bigger markets for us, increase jobs and standards of living in our country.

The international financial institutions are the most effective and efficient way to encourage growth in developing and transitional countries. The institutions help put economies back on track and guide reforms, encourage microenterprises, support health and education, protect the environment, and help create the social infrastructure that encourages the private sector.

A good example is the case of India. I stopped there on the way back from Indonesia. India was literally within days of insolvency back in 1991, just four years ago. They agreed to an IMF reform program, began changing their economy, lowering tariffs, privatizing, and today they have a growing economy. That, in turn, has resulted in rising U.S. exports to India.

We also visited a very poor village in an area of India with a very harsh climate. In that village, with guidance from the World Bank, the villagers are employing very simple soil conservation and animal husbandry practices. The simple steps they are taking mean they are preserving scarce water resources. They mean higher crop and livestock yields. That, in turn, means higher incomes, which translates into consumer spending, and when that is spread across the whole nation, it means larger markets for U.S. goods.

In conclusion, in my view, it is imperative that we have the budget and economic programs that best prepare our nation to compete and succeed in the global economy. And it is imperative that we lead in dealing with the issues that affect the global economy, because it matters to every American concerned with increasing growth, creating jobs in the United States, and raising our standard of living.

I mentioned at the outset some of the reasons I like public broadcasting. I saved one -- it raises the level of discourse in this country on critical policy issues. Public radio can make an important contribution to an increased level of public understanding by explaining the stakes involved. That will make it a better debate, and I think the proper choices will be made-- to prepare for the global economy, to compete and succeed in it, to exercise our leadership, and thus reap the benefits available to Americans.

Thank you.

-30-

DEPARTMENT OF THE TREASURY

TREASURY NEWS

OFFICE OF PUBLIC AFFAIRS • 1500 PENNSYLVANIA AVENUE, N.W. • WASHINGTON, D.C. • 20220 • (202) 622-2960

FOR RELEASE AT 2:30 P.M.
June 20, 1995

CONTACT: Office of Financing
202/219-3350

TREASURY'S WEEKLY BILL OFFERING

The Treasury will auction two series of Treasury bills totaling approximately $27,200 million, to be issued June 29, 1995. This offering will provide about $1,600 million of new cash for the Treasury, as the maturing 13-week and 26-week bills are outstanding in the amount of $25,606 million. In addition to the maturing 13-week and 26-week bills, there are $16,757 million of maturing 52-week bills. The disposition of this latter amount was announced last week.

Federal Reserve Banks hold $10,675 million of bills for their own accounts in the three maturing issues. These may be refunded at the weighted average discount rate of accepted competitive tenders.

Federal Reserve Banks hold $5,630 million of the three maturing issues as agents for foreign and international monetary authorities. These may be refunded within the offering amount at the weighted average discount rate of accepted competitive tenders. Additional amounts may be issued for such accounts if the aggregate amount of new bids exceeds the aggregate amount of maturing bills. For purposes of determining such additional amounts, foreign and international monetary authorities are considered to hold $5,110 million of the original 13-week and 26-week issues.

Tenders for the bills will be received at Federal Reserve Banks and Branches and at the Bureau of the Public Debt, Washington, D. C. This offering of Treasury securities is governed by the terms and conditions set forth in the Uniform Offering Circular (31 CFR Part 356) for the sale and issue by the Treasury to the public of marketable Treasury bills, notes, and bonds.

Details about each of the new securities are given in the attached offering highlights.

oOo

Attachment

RR-385

HIGHLIGHTS OF TREASURY OFFERINGS OF WEEKLY BILLS
TO BE ISSUED JUNE 29, 1995

June 20, 1995

Offering Amount	$13,600 million	$13,600 million
Description of Offering:		
Term and type of security	91-day bill	182-day bill
CUSIP number	912794 U9 3	912794 W3 4
Auction date	June 26, 1995	June 26, 1995
Issue date	June 29, 1995	June 29, 1995
Maturity date	September 28, 1995	December 28, 1995
Original issue date	March 30, 1995	June 29, 1995
Currently outstanding	$12,122 million	- - -
Minimum bid amount	$10,000	$10,000
Multiples	$ 1,000	$ 1,000

The following rules apply to all securities mentioned above:

Submission of Bids:

Noncompetitive bids . . . . Accepted in full up to $1,000,000 at the average discount rate of accepted competitive bids

Competitive bids . . . .
(1) Must be expressed as a discount rate with two decimals, e.g., 7.10%.
(2) Net long position for each bidder must be reported when the sum of the total bid amount, at all discount rates, and the net long position is $2 billion or greater.
(3) Net long position must be determined as of one half-hour prior to the closing time for receipt of competitive tenders.

Maximum Recognized Bid at a Single Yield . . . . 35% of public offering

Maximum Award . . . . 35% of public offering

Receipt of Tenders:

Noncompetitive tenders . . . . Prior to 12:00 noon Eastern Daylight Saving time on auction day

Competitive tenders . . . . Prior to 1:00 p.m. Eastern Daylight Saving time on auction day

Payment Terms . . . . Full payment with tender or by charge to a funds account at a Federal Reserve Bank on issue date

DEPARTMENT OF THE TREASURY

TREASURY NEWS

OFFICE OF PUBLIC AFFAIRS • 1500 PENNSYLVANIA AVENUE, N.W. • WASHINGTON, D.C. • 20220 • (202) 622-2960

FOR IMMEDIATE RELEASE
June 21, 1995

Contact: Jon Murchinson
(202) 622-2960

RUBIN APPOINTS ADVISORY COMMISSION ON FINANCIAL SERVICES

Treasury Secretary Robert E. Rubin , Wednesday, appointed 13 members of the Treasury Department's Advisory Commission on Financial Services, which will advise him during the course of a study of the American financial system.

The Interstate Banking and Branching Efficiency Act of 1994, which was signed into law by President Clinton at the Treasury Department, directs the Secretary of the Treasury to conduct a study of the American financial services system. The Secretary was charged by the Act with appointing a commission to consult with during the course of the study. The commission consists of a broad representation of providers of and users of financial services. Secretary Rubin will convene the commission's first meeting on July 31, 1995.

"Treasury's examination of the American financial system will make a valuable contribution in order to ensure that the system will continue to meet the needs of its users into the next century," Secretary Rubin said. "The Advisory Commission on Financial Services will play an important role in helping to frame the major policy challenges in the financial marketplace over the next ten years."

The Treasury study will examine the strengths and weaknesses of the U.S. financial system in meeting the needs of the system's users. A final report and recommendations are due to Congress by December 29, 1995. The report will set forth a broad vision for the future of financial services and will focus on the needs of the users of those services.

A list of the commission members is attached.

-30-

RR-386

Department of the Treasury
Advisory Commission on Financial Services

Stephen J. Brobeck, Executive Director, Consumer Federation of America

John G. Heimann, Global Financial Institutions Group Chairman, Merrill Lynch & Co.

Beth Hodges, Executive Vice President, First National Bank of Panhandle, Texas

Mary Agnes Houghton, President, ShoreBank Corporation

Glenn H. Hutchins, General Partner, Blackstone Group

Orin S. Kramer, General Partner, Kramer Spelman, L.P.

Donald A. Moore Jr., Managing Director, Morgan Stanley & Co.

Clyde W. Ostler, Vice Chairman, Wells Fargo Bank

Robert C. Pozen, General Counsel and Managing Director, Fidelity Investments

Franklin D. Raines, Vice Chairman, Federal National Mortgage Association

Rachel F. Robbins, Managing Director and Deputy General Counsel,
J.P. Morgan & Co.

Arthur F. Ryan, Chairman and CEO, The Prudential Insurance Company of America

John F. Sandner, Chairman of the Board, Chicago Mercantile Exchange

June 21, 1995

DEPARTMENT OF THE TREASURY

TREASURY NEWS

OFFICE OF PUBLIC AFFAIRS • 1500 PENNSYLVANIA AVENUE, N.W. • WASHINGTON, D.C. • 20220 • (202) 622-2960

June 21, 1995

Monthly Release of U.S. Reserve Assets

The Treasury Department today released U.S. reserve assets data for the month of May 1995.

As indicated in this table, U.S. reserve assets amounted to $90,549 million at the end of May 1995, up from $88,756 million in April 1995.

U.S. Reserve Assets
(in millions of dollars)

End of Month	Total Reserve Assets	Gold Stock 1/	Special Drawing Rights 2/3/	Foreign Currencies 4/	Reserve Position in IMF 2/
1995					
April	88,756	11,055	11,743	51,752	14,206
May	90,549	11,054	11,923	53,294	14,278

1/ Valued at $42.2222 per fine troy ounce.

2/ Beginning July 1974, the IMF adopted a technique for valuing the SDR based on a weighted average of exchange rates for the currencies of selected member countries. The U.S. SDR holdings and reserve position in the IMF also are valued on this basis beginning July 1974.

3/ Includes allocations of SDRs by the IMF plus transactions in SDRs.

4/ Includes holdings of Treasury and Federal Reserve System; beginning November 1978, these are valued at current market exchange rates or, where appropriate, at such other rates as may be agreed upon by the parties to the transactions.

RR-387

Monthly Treasury Statement

of Receipts and Outlays of the United States Government

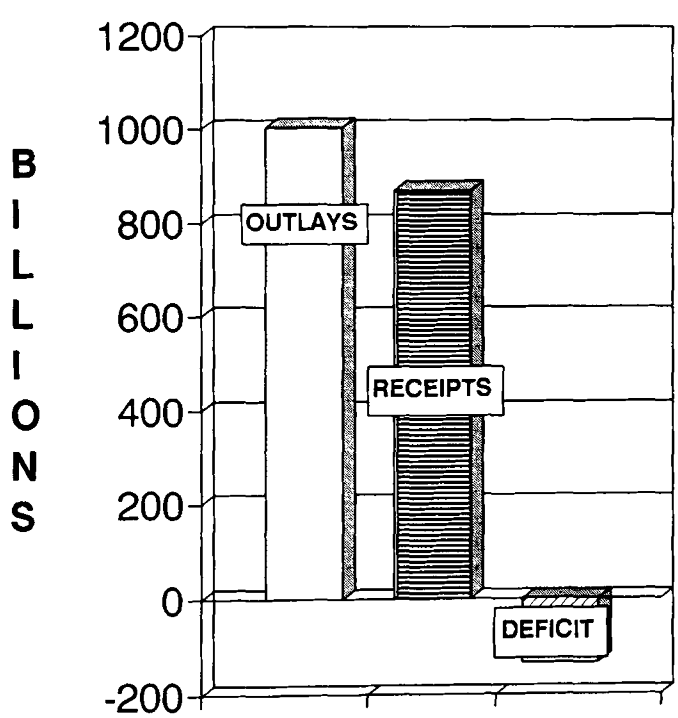
For Fiscal Year 1995 Through **May 31, 1995,** and Other Periods

LIBRARY ROOM 5310
JUN 23 95 00 332
DEPT. OF THE TREASURY

Highlight

The Interest of the Public Debt is $26.8 billion which is 21 percent of the total current month Federal Outlays.

RECEIPTS, OUTLAYS, AND SURPLUS/DEFICIT THROUGH MAY 1995



Contents

Compiled and Published by

Department of the Treasury
Financial Management Service

Introduction

The *Monthly Treasury Statement of Receipts and Outlays of the United States Government (MTS)* is prepared by the Financial Management Service, Department of the Treasury, and after approval by the Fiscal Assistant Secretary of the Treasury, is normally released on the 15th workday of the month following the reporting month. The publication is based on data provided by Federal entities, disbursing officers, and Federal Reserve banks.

Audience

The *MTS* is published to meet the needs of: Those responsible for or interested in the cash position of the Treasury; Those who are responsible for or interested in the Government's budget results; and individuals and businesses whose operations depend upon or are related to the Government's financial operations.

Disclosure Statement

This statement summarizes the financial activities of the Federal Government and off-budget Federal entities conducted in accordance with the Budget of the U.S. Government, i.e., receipts and outlays of funds, the surplus or deficit, and the means of financing the deficit or disposing of the surplus. Information is presented on a modified cash basis: receipts are accounted for on the basis of collections; refunds of receipts are treated as deductions from gross receipts; revolving and management fund receipts, reimbursements and refunds of monies previously expended are treated as deductions from gross outlays; and interest on the public debt (public issues) is recognized on the accrual basis. Major information sources include accounting data reported by Federal entities, disbursing officers, and Federal Reserve banks.

Triad of Publications

The *MTS* is part of a triad of Treasury financial reports. The *Daily Treasury Statement* is published each working day of the Federal Government. It provides data on the cash and debt operations of the Treasury based upon reporting of the Treasury account balances by Federal Reserve banks. The *MTS* is a report of Government receipts and outlays, based on agency reporting. The *U.S. Government Annual Report* is the official publication of the detailed receipts and outlays of the Government. It is published annually in accordance with legislative mandates given to the Secretary of the Treasury.

Data Sources and Information

The Explanatory Notes section of this publication provides information concerning the flow of data into the *MTS* and sources of information relevant to the *MTS*.

Table 1. Summary of Receipts, Outlays, and the Deficit/Surplus of the U.S. Government, Fiscal Years 1994 and 1995, by Month

[$ millions]

Period	Receipts	Outlays	Deficit/Surplus (−)
FY 1994			
October	78,662	124,085	45,422
November	83,102	121,483	38,381
December	125,403	133,108	7,705
January	122,961	107,713	−15,248
February	73,186	114,752	41,566
March	93,107	125,422	32,315
April	141,321	123,867	−17,454
May	83,541	115,597	32,057
June	138,119	123,269	−14,850
July	84,822	118,020	33,198
August	97,333	[1]121,608	24,275
September	135,895	[2]131,796	−4,099
Year-to-Date	**[3]1,257,452**	**[3]1,460,722**	**[3]203,269**
FY 1995			
October	89,024	120,365	31,342
November	87,673	124,915	37,242
December	130,810	134,941	4,130
January	131,801	115,171	−16,629
February	82,544	[1]120,527	37,983
March	92,532	142,458	49,927
April	165,392	115,673	−49,720
May	90,405	129,355	38,950
Year-to-Date	**870,180**	**1,003,406**	**133,226**

[1]Outlays have been decreased in August 1994 by $9 million and in February 1995 by $9 million to reflect the redemption of agency securities not previously reported by the Architect of the Capitol.

[2]Outlays and deposit funds have been increased in September 1994 by $3 million and $8 million to reflect additional reporting by the Department of the Army and the Department of the Navy, respectively.

[3]The receipt, outlay and deficit figures differ from the *FY 1996 Budget*, released by the Office of Management and Budget on February 6, 1995, by $100 million due mainly to revisions in the data following the release of the Final September Monthly Treasury Statement.

Table 2. Summary of Budget and Off-Budget Results and Financing of the U.S. Government, May 1995 and Other Periods

[$ millions]

Classification	This Month	Current Fiscal Year to Date	Budget Estimates Full Fiscal Year[1]	Prior Fiscal Year to Date (1994)	Budget Estimates Next Fiscal Year (1996)[1]
Total on-budget and off-budget results:					
Total receipts	90,405	870,180	1,346,414	801,283	1,415,456
On-budget receipts	61,027	635,935	995,158	580,121	1,045,095
Off-budget receipts	29,378	234,245	351,256	221,162	370,361
Total outlays	129,355	1,003,406	1,538,920	966,028	1,612,128
On-budget outlays	102,581	812,068	1,246,936	781,668	1,307,105
Off-budget outlays	26,773	191,337	291,984	184,360	305,023
Total surplus (+) or deficit (−)	−38,950	−133,226	−192,506	−164,745	−196,671
On-budget surplus (+) or deficit (−)	−41,554	−176,133	−251,778	−201,547	−262,010
Off-budget surplus (+) or deficit (−)	+2,604	+42,907	+59,272	+36,802	+65,338
Total on-budget and off-budget financing	38,950	133,226	192,506	164,745	196,671
Means of financing:					
Borrowing from the public	44,740	142,717	207,936	145,790	217,151
Reduction of operating cash, increase (−)	11,841	9,714	−4,058	25,312	......
By other means	−17,631	−19,205	−11,372	−6,358	−20,480

[1]These figures are based on the *FY 1996 Budget*, released by the Office of Management and Budget on February 6, 1995.

... No Transactions.
Note: Details may not add to totals due to rounding.

Figure 1. Monthly Receipts, Outlays, and Budget Deficit/Surplus of the U.S. Government, Fiscal Years 1994 and 1995

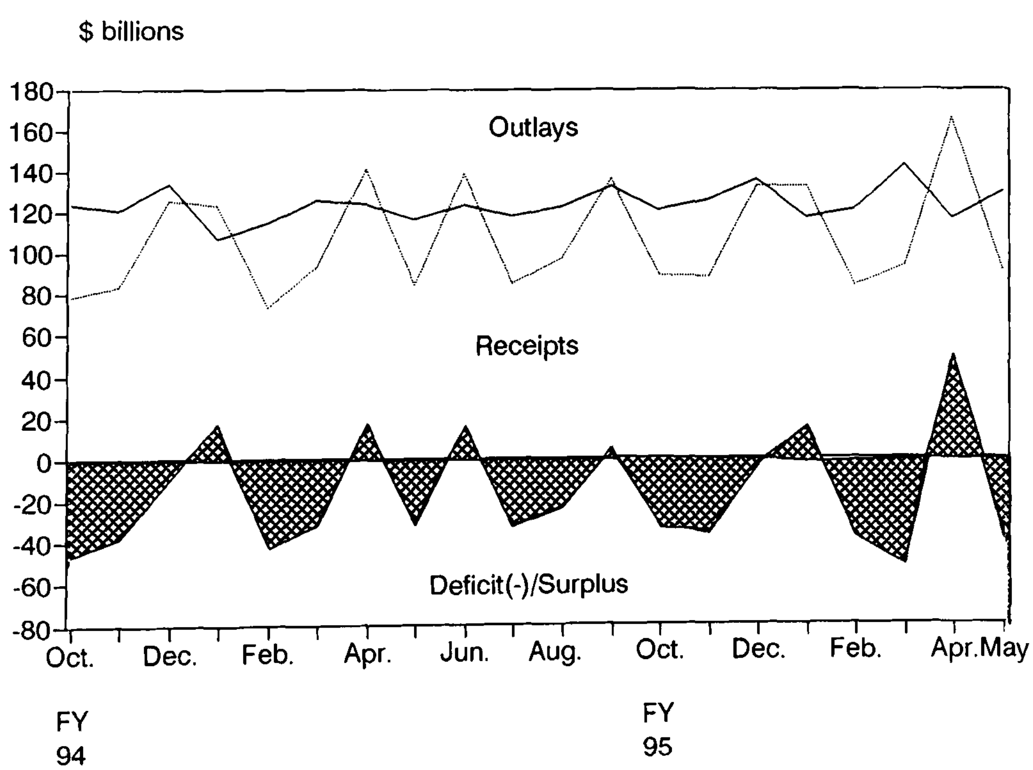


Figure 2. Monthly Receipts of the U.S. Government, by Source, Fiscal Years 1994 and 1995

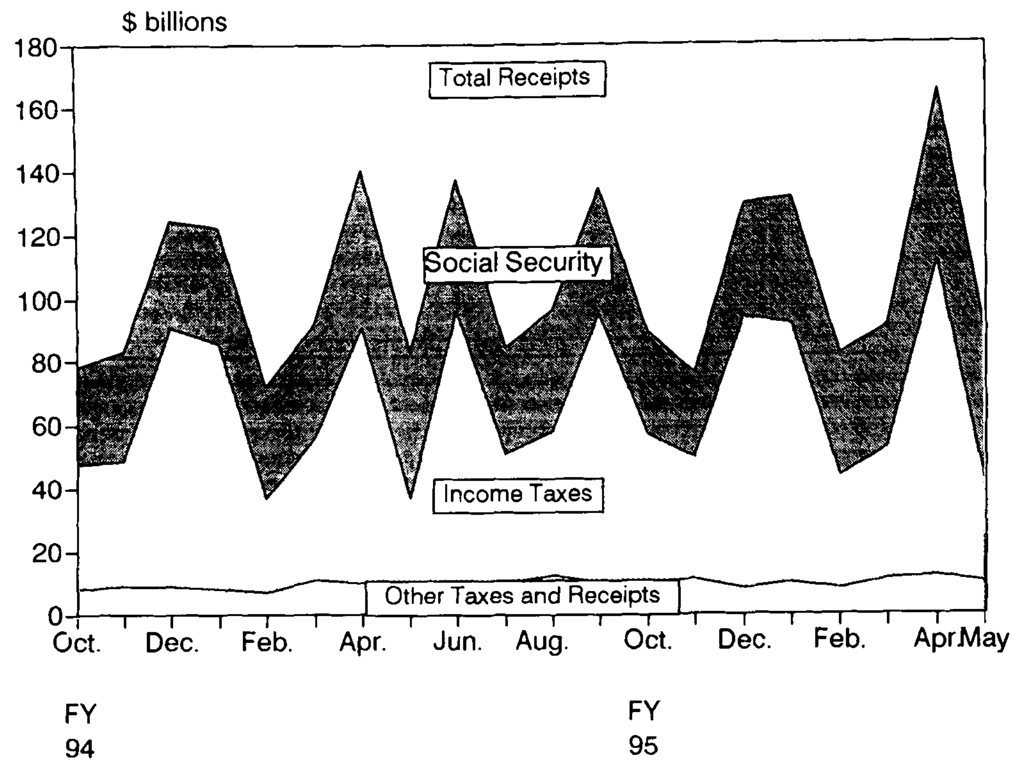


Figure 3. Monthly Outlays of the U.S. Government, by Function, Fiscal Years 1994 and 1995

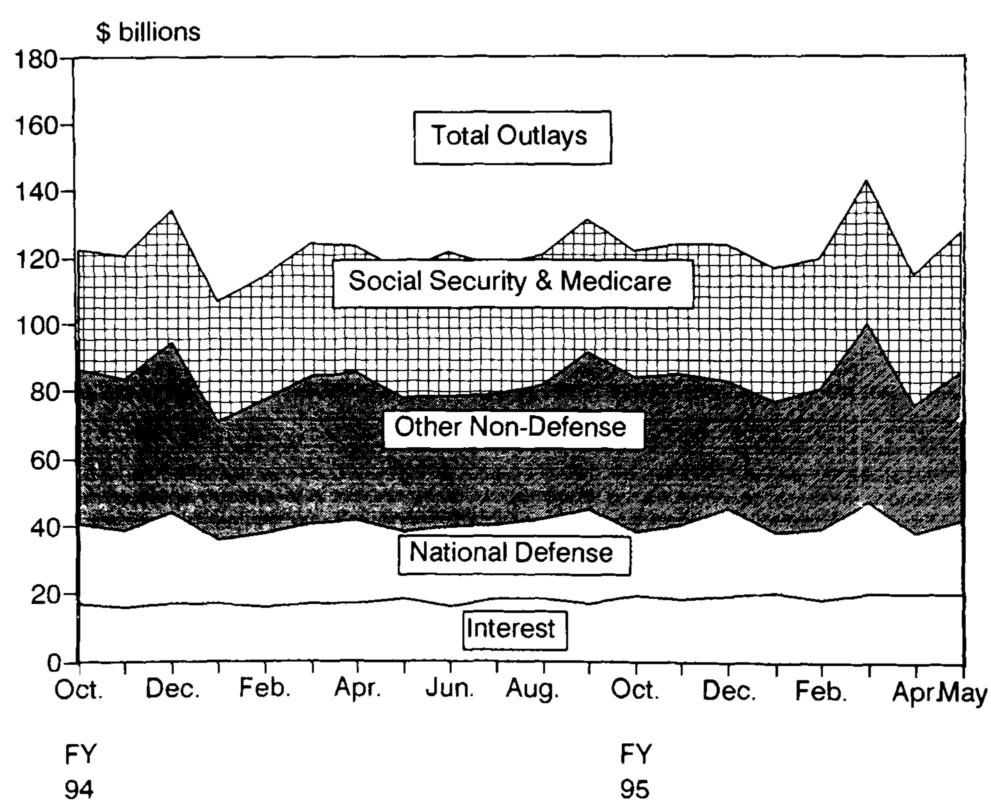


Table 3. Summary of Receipts and Outlays of the U.S. Government, May 1995 and Other Periods

[$ millions]

Classification	This Month	Current Fiscal Year to Date	Comparable Prior Period	Budget Estimates Full Fiscal Year[1]
Budget Receipts				
Individual income taxes	29,729	380,850	346,426	588,460
Corporation income taxes	2,193	82,324	77,092	150,864
Social insurance taxes and contributions:				
Employment taxes and contributions (off-budget)	29,378	234,245	221,162	351,256
Employment taxes and contributions (on-budget)	7,848	67,465	60,939	100,538
Unemployment insurance	10,601	22,233	21,089	28,057
Other retirement contributions	355	2,985	3,068	4,558
Excise taxes	4,770	36,933	34,948	57,600
Estate and gift taxes	1,339	9,898	10,603	15,587
Customs duties	1,471	12,686	12,769	20,913
Miscellaneous receipts	2,719	20,561	13,188	28,581
Total Receipts	**90,405**	**870,180**	**801,283**	**1,346,414**
(On-budget)	**61,027**	**635,935**	**580,121**	**995,158**
(Off-budget)	**29,378**	**234,245**	**221,162**	**351,256**
Budget Outlays				
Legislative Branch	191	[2]1,833	[2]1,751	2,793
The Judiciary	200	1,809	1,715	3,101
Executive Office of the President	15	145	142	192
Funds Appropriated to the President	1,021	8,127	8,838	10,860
Department of Agriculture	4,111	43,337	43,497	62,313
Department of Commerce	287	2,284	1,977	3,601
Department of Defense—Military	21,117	165,447	[3]175,209	260,269
Department of Defense—Civil	2,621	20,870	20,073	31,207
Department of Education	2,406	20,587	15,316	32,888
Department of Energy	1,353	11,467	11,398	16,135
Department of Health and Human Services	26,791	198,227	182,628	301,439
Department of Housing and Urban Development	1,843	19,203	17,391	26,854
Department of the Interior	574	4,885	4,357	7,329
Department of Justice	774	6,908	6,645	11,821
Department of Labor	2,741	21,388	26,173	31,942
Department of State	335	3,799	3,664	6,272
Department of Transportation	3,193	24,874	23,419	37,992
Department of the Treasury:				
Interest on the Public Debt	26,769	209,637	187,110	333,704
Other	2,476	14,801	11,516	18,112
Department of Veterans Affairs	3,185	23,876	23,969	38,231
Environmental Protection Agency	571	4,140	3,702	6,274
General Services Administration	540	483	−82	1,131
National Aeronautics and Space Administration	1,245	8,744	8,899	14,241
Office of Personnel Management	3,431	27,184	25,273	40,308
Small Business Administration	55	580	414	703
Social Security Administration	30,221	235,077	225,396	363,419
Other independent agencies:				
Resolution Trust Corporation	−1,024	−7,559	2,678	−6,753
Other	792	5,253	4,143	15,399
Undistributed offsetting receipts:				
Interest	−5,524	−51,654	−48,463	−91,465
Other	−2,956	−22,347	−22,721	−41,392
Total outlays	**129,355**	**1,003,406**	**966,028**	**1,538,920**
(On-budget)	**102,581**	**812,068**	**781,668**	**1,246,936**
(Off-budget)	**26,773**	**191,337**	**184,360**	**291,984**
Surplus (+) or deficit (−)	**−38,950**	**−133,226**	**−164,745**	**−192,506**
(On-budget)	**−41,554**	**−176,133**	**−201,547**	**−251,778**
(Off-budget)	**+2,604**	**+42,907**	**+36,802**	**+59,272**

[1]These figures are based on the *FY 1996 Budget*, released by the Office of Management and Budget on February 6, 1995.

[2]Outlays have been decreased in August 1994 by $9 million and in February 1995 by $9 million to reflect the redemption of agency securities not previously reported by the Architect of the Capitol.

[3]Outlays and deposit funds have been increased in September 1994 by $3 million and $8 million to reflect additional reporting by the Department of the Army and Department of the Navy, respectively.

Note: Details may not add to totals due to rounding.

Table 4. Receipts of the U.S. Government, May 1995 and Other Periods

[$ millions]

Classification	This Month			Current Fiscal Year to Date			Prior Fiscal Year to Date		
	Gross Receipts	Refunds (Deduct)	Receipts	Gross Receipts	Refunds (Deduct)	Receipts	Gross Receipts	Refunds (Deduct)	Receipts
Individual income taxes:									
Withheld	43,414			339,539			310,954		
Presidential Election Campaign Fund	12			52			53		
Other	8,691			118,358			105,443		
Total—Individual income taxes	**52,117**	**22,388**	**29,729**	**457,948**	**77,099**	**380,850**	**416,449**	**70,023**	**346,426**
Corporation income taxes	**3,572**	**1,379**	**2,193**	**96,298**	**13,974**	**82,324**	**86,811**	**9,719**	**77,092**
Social insurance taxes and contributions:									
Employment taxes and contributions:									
Federal old-age and survivors ins. trust fund:									
Federal Insurance Contributions Act taxes	23,716	......	23,716	172,813	......	172,813	188,025	......	188,025
Self-Employment Contributions Act taxes	1,207	......	1,207	12,127	......	12,127	11,780	......	11,780
Deposits by States	(* *)	......	(* *)	1	......	1	−45	......	−45
Other	(* *)	......	(* *)	(* *)	......	(* *)	(* *)	......	(* *)
Total—FOASI trust fund	24,923	......	24,923	184,942	......	184,942	199,761	......	199,761
Federal disability insurance trust fund:									
Federal Insurance Contributions Act taxes	4,239	......	4,239	46,548	......	46,548	20,143	......	20,143
Self-Employment Contributions Act taxes	216	......	216	2,754	......	2,754	1,258	......	1,258
Receipts from railroad retirement account	......	......	......	......	......	......	......	......	......
Deposits by States	(* *)	......	(* *)	(* *)	......	(* *)	(* *)	......	(* *)
Other	......	......	......	......	......	......	......	......	......
Total—FDI trust fund	4,455	......	4,455	49,303	......	49,303	21,401	......	21,401
Federal hospital insurance trust fund:									
Federal Insurance Contributions Act taxes	6,959	......	6,959	59,585	......	59,585	54,281	......	54,281
Self-Employment Contributions Act taxes	475	......	475	4,983	......	4,983	3,911	......	3,911
Receipts from Railroad Retirement Board	......	......	......	......	......	......	......	......	......
Deposits by States	(* *)	......	(* *)	(* *)	......	(* *)	(* *)	......	(* *)
Total—FHI trust fund	7,434	......	7,434	64,569	......	64,569	58,192	......	58,192
Railroad retirement accounts:									
Rail industry pension fund	257	5	252	1,619	15	1,605	1,560	29	1,532
Railroad Social Security equivalent benefit	162	......	162	1,292	......	1,292	1,215	......	1,215
Total—Employment taxes and contributions	37,231	5	37,226	301,724	15	301,710	282,129	29	282,100
Unemployment insurance:									
State taxes deposited in Treasury	8,675	......	8,675	17,572	......	17,572	16,738	......	16,738
Federal Unemployment Tax Act taxes	1,935	11	1,925	4,712	68	4,644	4,366	69	4,298
Railroad unemployment taxes	2	......	2	18	......	18	21	......	21
Railroad debt repayment	......	......	......	......	......	......	32	......	32
Total—Unemployment insurance	10,612	11	10,601	22,302	68	22,233	21,158	69	21,089
Other retirement contributions:									
Federal employees retirement – employee contributions	348	......	348	2,924	......	2,924	3,004	......	3,004
Contributions for non-federal employees	7	......	7	61	......	61	64	......	64
Total—Other retirement contributions	355	......	355	2,985	......	2,985	3,068	......	3,068
Total—Social insurance taxes and contributions	**48,198**	**16**	**48,183**	**327,011**	**83**	**326,928**	**306,355**	**98**	**306,257**
Excise taxes:									
Miscellaneous excise taxes[1]	2,976	229	2,747	19,079	749	18,329	20,632	489	20,144
Airport and airway trust fund	499	......	499	3,518	21	3,497	3,278	24	3,254
Highway trust fund	1,553	81	1,472	15,196	502	14,694	11,469	327	11,142
Black lung disability trust fund	52	......	52	412	......	412	408	......	408
Total—Excise taxes	**5,080**	**310**	**4,770**	**38,205**	**1,273**	**36,933**	**35,787**	**840**	**34,948**
Estate and gift taxes	**1,371**	**32**	**1,339**	**10,159**	**261**	**9,898**	**10,853**	**250**	**10,603**
Customs duties	**1,652**	**180**	**1,471**	**13,836**	**1,150**	**12,686**	**13,319**	**551**	**12,769**
Miscellaneous Receipts:									
Deposits of earnings by Federal Reserve Banks	2,478	......	2,478	17,748	......	17,748	10,824	......	10,824
All other	241	(* *)	241	2,821	8	2,813	2,377	14	2,364
Total — Miscellaneous receipts	**2,719**	**(* *)**	**2,719**	**20,569**	**8**	**20,561**	**13,201**	**14**	**13,188**
Total — Receipts	**114,710**	**24,305**	**90,405**	**964,026**	**93,846**	**870,180**	**882,776**	**81,494**	**801,283**
Total — On-budget	**85,332**	**24,305**	**61,027**	**729,782**	**93,846**	**635,935**	**661,615**	**81,494**	**580,121**
Total — Off-budget	**29,378**	......	**29,378**	**234,245**	......	**234,245**	**221,162**	......	**221,162**

[1]Includes amounts for the windfall profits tax pursuant to P.L. 96-223.
...... No Transactions

(* *) Less than $500,000.
Note: Details may not add to totals due to rounding.

Table 5. Outlays of the U.S. Government, May 1995 and Other Periods

[$ millions]

Classification	This Month			Current Fiscal Year to Date			Prior Fiscal Year to Date		
	Gross Outlays	Applicable Receipts	Outlays	Gross Outlays	Applicable Receipts	Outlays	Gross Outlays	Applicable Receipts	Outlays
Legislative Branch:									
Senate	35	(* *)	35	285	1	284	281	1	280
House of Representatives	59	(* *)	59	485	1	484	503	12	491
Joint items	6	......	6	51	......	51	51	......	51
Congressional Budget Office	2	......	2	14	......	14	14	......	14
Architect of the Capitol	14	1	13	[1]122	6	116	[1]133	6	128
Library of Congress	30	......	30	511	......	511	370	......	370
Government Printing Office:									
Revolving fund (net)	-3	......	-3	12	......	12	31	......	31
General fund appropriations	8	......	8	65	......	65	63	......	63
General Accounting Office	36	......	36	270	......	270	289	......	289
United States Tax Court	2	......	2	21	......	21	22	......	22
Other Legislative Branch agencies	4	......	4	23	......	23	21	......	21
Proprietary receipts from the public	......	1	-1	......	9	-9	......	2	-2
Intrabudgetary transactions	(* *)	......	(* *)	-8	......	-8	-7	......	-7
Total—Legislative Branch	**193**	**2**	**191**	**1,851**	**17**	**1,833**	**1,772**	**21**	**1,751**
The Judiciary:									
Supreme Court of the United States	2	......	2	16	......	16	16	......	16
Courts of Appeals, District Courts, and other judicial services	191	1	190	1,720	4	1,716	1,624	2	1,622
Other	9	......	9	76	......	76	77	......	77
Total—The Judiciary	**202**	**1**	**200**	**1,812**	**4**	**1,809**	**1,717**	**2**	**1,715**
Executive Office of the President:									
Compensation of the President and the White House Office	3	......	3	25	......	25	27	......	27
Office of Management and Budget	4	......	4	37	......	37	38	......	38
Other	8	......	8	84	......	84	77	......	77
Total—Executive Office of the President	**15**	**......**	**15**	**145**	**......**	**145**	**142**	**......**	**142**
Funds Appropriated to the President:									
International Security Assistance:									
Foreign military loan program	63	34	30	586	390	196	600	386	214
Foreign military financing program	102	......	102	2,664	......	2,664	3,362	......	3,362
Economic support fund	102	......	102	2,297	......	2,297	2,335	......	2,335
Peacekeeping Operations	5	......	5	54	......	54	42	......	42
Other	4	......	4	20	......	20	33	......	33
Proprietary receipts from the public	......	14	-14	......	430	-430	......	406	-406
Total—International Security Assistance	275	48	227	5,621	819	4,802	6,372	792	5,580
International Development Assistance:									
Multilateral Assistance:									
Contribution to the International Development Association	......	......	......	743	......	743	637	......	637
International organizations and programs	25	......	25	443	......	443	127	......	127
Other	(* *)	......	(* *)	267	......	267	306	......	306
Total—Multilateral Assistance	25	......	25	1,453	......	1,453	1,070	......	1,070
Agency for International Development:									
Sustainable development assistance program	175	......	175	864	......	864	925	......	925
Assistance for Eastern Europe and the Baltic States	26	......	26	237	......	237	166	......	166
Assistance for the new independent States of the Former Soviet Union	61	......	61	551	......	551	147	......	147
Development fund for Africa	50	......	50	485	......	485	430	......	430
Operating expenses	36	......	36	331	......	331	347	......	347
Payment to the Foreign Service retirement and disability fund	......	......	......	45	......	45	44	......	44
Other	1	4	-3	160	30	129	184	42	142
Proprietary receipts from the public	......	56	-56	......	526	-526	......	502	-502
Intrabudgetary transactions	......	......	......	......	......	......	-2	......	-2
Total—Agency for International Development	349	60	289	2,673	556	2,117	2,241	543	1,698
Overseas Private Investment Corporation	4	53	-49	31	182	-151	28	151	-124
Peace Corps	19	......	19	150	......	150	136	......	136
Other	11	(* *)	11	65	2	63	61	3	58
Total—International Development Assistance	408	113	296	4,373	740	3,632	3,535	698	2,837
International Monetary Programs	-26	......	-26	-935	......	-935	12	......	12
Military Sales Programs:									
Special defense acquisition fund	9	3	7	108	118	-10	118	181	-63
Foreign military sales trust fund	1,234	......	1,234	8,721	......	8,721	8,822	......	8,822
Kuwait civil reconstruction trust fund	(* *)	......	(* *)	(* *)	......	(* *)	(* *)	......	(* *)
Proprietary receipts from the public	......	724	-724	......	8,105	-8,105	......	8,399	-8,399
Other	8	......	8	23	......	23	49	......	49
Total—Funds Appropriated to the President	**1,908**	**887**	**1,021**	**17,910**	**9,783**	**8,127**	**18,908**	**10,070**	**8,838**

Table 5. Outlays of the U.S. Government, May 1995 and Other Periods—Continued

[$ millions]

Classification	This Month			Current Fiscal Year to Date			Prior Fiscal Year to Date		
	Gross Outlays	Applicable Receipts	Outlays	Gross Outlays	Applicable Receipts	Outlays	Gross Outlays	Applicable Receipts	Outlays
Department of Agriculture:									
Agricultural Research Service	61	......	61	492	......	492	479	......	479
Cooperative State Research Education and Extension Service:									
Cooperative state research activities	34	......	34	287	......	287	269	......	269
Extension Service	36	......	36	294	......	294	284	......	284
Other	1	......	1	27	......	27	31	......	31
Animal and Plant Health Inspection Service	40	......	40	334	......	334	315	......	315
Food Safety and Inspection Service	50	......	50	346	......	346	343	......	343
Agricultural Marketing Service	16	......	16	509	......	509	495	1	494
Farm Service Agency:									
Salaries and expenses	74	......	74	631	......	631	603	......	603
Conservation programs	16	......	16	1,828	......	1,828	1,846	......	1,846
Federal crop insurance corporation fund	23	2	21	514	451	63	1,296	348	947
Commodity Credit Corporation:									
Price support and related programs	904	1,056	−153	15,689	6,870	8,820	15,432	4,927	10,504
National Wool Act Program	3	......	3	102	......	102	200	......	200
Agricultural credit insurance fund	178	93	86	901	1,076	−175	1,374	1,394	−20
Other	(* *)	......	(* *)	2	......	2	2	......	2
Total—Farm Service Agency	1,198	1,151	47	19,668	8,396	11,272	20,752	6,670	14,082
Natural Resources Conservation Service:									
Conservation operations	43	......	43	376	......	376	404	......	404
Watershed and flood prevention operations	22	......	22	187	......	187	175	......	175
Other	7	......	7	54	......	54	54	......	54
Rural Utilities Service:									
Rural electrification and telephone fund	51	165	−114	1,510	1,885	−374	1,740	2,378	−638
Rural development insurance fund	82	43	39	587	309	278	630	386	244
Other	33	15	18	272	134	138	272	340	−68
Rural housing and Community Development Service:									
Rural housing insurance fund	348	223	125	2,427	1,678	749	2,513	2,190	324
Other	96	......	96	127	......	127	58	......	58
Foreign Agricultural Service	106	......	106	715	......	715	701	......	701
Food and Consumer Service:									
Food stamp program	2,136	......	2,136	17,331	......	17,331	17,125	......	17,125
State child nutrition programs	791	......	791	5,543	......	5,543	5,096	......	5,096
Women, infants and children programs	301	......	301	2,371	......	2,371	2,168	......	2,168
Other	31	......	31	314	......	314	351	......	351
Total—Food and Consumer Service	3,260	......	3,260	25,560	......	25,560	24,740	......	24,740
Forest Service:									
National forest system	112	......	112	870	......	870	917	......	917
Forest and rangeland protection	387	......	387	763	......	763	210	......	210
Forest service permanent appropriations	22	......	22	473	......	473	260	......	260
Other	−282	......	−282	192	......	192	553	......	553
Total—Forest Service	239	......	239	2,297	......	2,297	1,940	......	1,940
Other	39	4	35	338	26	312	329	24	305
Proprietary receipts from the public	......	50	−50	......	643	−643	......	1,040	−1,040
Intrabudgetary transactions	(* *)	......	(* *)	(* *)	......	(* *)	......	......	......
Total—Department of Agriculture	**5,762**	**1,651**	**4,111**	**56,408**	**13,071**	**43,337**	**56,525**	**13,028**	**43,497**
Department of Commerce:									
Economic Development Administration	31	1	30	225	9	217	181	10	171
Bureau of the Census	31	......	31	218	......	218	181	......	181
Promotion of Industry and Commerce	40	......	40	251	......	251	206	......	206
Science and Technology:									
National Oceanic and Atmospheric Administration	156	3	153	1,293	15	1,278	1,285	10	1,275
National Institute of Standards and Technology	43	......	43	286	......	286	80	......	80
Other	(* *)	3	−3	74	21	53	95	23	72
Total—Science and Technology	199	6	193	1,653	36	1,617	1,460	32	1,428
Other	2	......	2	64	(* *)	64	70	......	70
Proprietary receipts from the public	......	10	−10	......	83	−83	......	79	−79
Intrabudgetary transactions	(* *)	......	(* *)	(* *)	......	(* *)	(* *)	......	(* *)
Offsetting governmental receipts	......	......	......	......	......	......	......	......	......
Total—Department of Commerce	**304**	**17**	**287**	**2,412**	**128**	**2,284**	**2,099**	**121**	**1,977**

Table 5. Outlays of the U.S. Government, May 1995 and Other Periods—Continued

[$ millions]

Classification	This Month			Current Fiscal Year to Date			Prior Fiscal Year to Date		
	Gross Outlays	Applicable Receipts	Outlays	Gross Outlays	Applicable Receipts	Outlays	Gross Outlays	Applicable Receipts	Outlays
Department of Defense—Military:									
Military personnel:									
Department of the Army	2,163	......	2,163	15,982	......	15,982	17,491	......	17,491
Department of the Navy	2,047	......	2,047	16,162	......	16,162	17,285	......	17,285
Department of the Air Force	1,616	......	1,616	12,034	......	12,034	11,829	......	11,829
Total—Military personnel	5,826	......	5,826	44,178	......	44,178	46,605	......	46,605
Operation and maintenance:									
Department of the Army	1,909	......	1,909	14,742	......	14,742	13,736	......	13,736
Department of the Navy	1,914	......	1,914	14,154	......	14,154	14,164	......	14,164
Department of the Air Force	1,752	......	1,752	15,727	......	15,727	15,985	......	15,985
Defense agencies	1,594	......	1,594	12,763	......	12,763	12,950	......	12,950
Total—Operation and maintenance	7,169	......	7,169	57,387	......	57,387	56,836	......	56,836
Procurement:									
Department of the Army	663	......	663	5,006	......	5,006	5,459	......	5,459
Department of the Navy	642	......	642	14,062	......	14,062	[2]17,263	......	17,263
Department of the Air Force	1,672	......	1,672	14,234	......	14,234	[2]15,588	......	15,588
Defense agencies	311	......	311	2,565	......	2,565	2,741	......	2,741
Total—Procurement	3,288	......	3,288	35,867	......	35,867	41,050	......	41,050
Research, development, test, and evaluation:									
Department of the Army	471	......	471	3,363	......	3,363	3,819	......	3,819
Department of the Navy	577	......	577	5,900	......	5,900	5,019	......	5,019
Department of the Air Force	1,126	......	1,126	8,314	......	8,314	8,464	......	8,464
Defense agencies	790	......	790	5,230	......	5,230	5,510	......	5,510
Total—Research, development, test and evaluation	2,965	......	2,965	22,807	......	22,807	22,813	......	22,813
Military construction:									
Department of the Army	95	......	95	629	......	629	604	......	604
Department of the Navy	58	......	58	552	......	552	354	......	354
Department of the Air Force	108	......	108	861	......	861	688	......	688
Defense agencies	303	......	303	2,232	......	2,232	1,321	......	1,321
Total—Military construction	564	......	564	4,275	......	4,275	2,967	......	2,967
Family housing:									
Department of the Army	93	......	93	769	......	769	846	......	846
Department of the Navy	106	......	106	715	......	715	524	......	524
Department of the Air Force	96	......	96	688	......	688	688	......	688
Defense agencies	15	6	10	102	33	69	69	22	47
Revolving and management funds:									
Department of the Army	−13	......	−13	−42	......	−42	56	......	56
Department of the Navy	81	......	81	202	......	202	244	......	244
Department of the Air Force	......	......	......	......	......	......	......	......	......
Defense agencies:									
Defense business operations fund	926	......	926	−588	......	−588	2,545	......	2,545
Other	−3	(* *)	−3	−105	2	−107	−239	4	−243
Trust funds:									
Department of the Army	(* *)	(* *)	(* *)	(* *)	(* *)	(* *)	(* *)	......	(* *)
Department of the Navy	1	......	1	17	3	15	22	9	12
Department of the Air Force	(* *)	......	(* *)	(* *)	(* *)	(* *)	6	6	(* *)
Defense agencies	17	......	17	160	......	160	150	......	150
Proprietary receipts from the public:									
Department of the Army	......	17	−17	......	210	−210	......	49	−49
Department of the Navy	......	−27	27	......	204	−204	......	67	−67
Department of the Air Force	......	−19	19	......	718	−718	......	328	−328
Defense agencies	......	21	−21	......	244	−244	......	193	−193
Intrabudgetary transactions:									
Department of the Army	−18	......	−18	14	......	14	120	......	120
Department of the Navy	34	......	34	437	......	437	528	......	528
Department of the Air Force	18	......	18	121	......	121	120	......	120
Defense agencies	−50	......	−50	−145	......	−145	−56	......	−56
Offsetting governmental receipts:									
Department of the Army	......	......	......	......	1	−1	......	6	−6
Defense agencies	......	(* *)	(* *)	......	(* *)	(* *)	......	(* *)	(* *)
Total—Department of Defense—Military	**21,115**	**−2**	**21,117**	**166,862**	**1,415**	**165,447**	**175,892**	**683**	**175,209**

Table 5. Outlays of the U.S. Government, May 1995 and Other Periods—Continued

[$ millions]

Classification	This Month			Current Fiscal Year to Date			Prior Fiscal Year to Date		
	Gross Outlays	Applicable Receipts	Outlays	Gross Outlays	Applicable Receipts	Outlays	Gross Outlays	Applicable Receipts	Outlays
Department of Defense—Civil									
Corps of Engineers:									
Construction, general	69	......	69	685	......	685	589	......	589
Operation and maintenance, general	99	......	99	894	......	894	693	......	693
Other	117	......	117	935	......	935	1,048	......	1,048
Proprietary receipts from the public	......	14	−14	......	88	−88	......	110	−110
Total—Corps of Engineers	285	14	271	2,513	88	2,426	2,330	110	2,220
Military retirement:									
Payment to military retirement fund	......	......	......	11,470	......	11,470	11,908	......	11,908
Military retirement fund	2,335	......	2,335	18,335	......	18,335	17,684	......	17,684
Intrabudgetary transactions	......	......	......	−11,470	......	−11,470	−11,908	......	−11,908
Education benefits	10	......	10	67	......	67	127	......	127
Other	6	(* *)	6	53	3	50	52	2	50
Proprietary receipts from the public	......	1	−1	......	8	−8	......	8	−8
Total—Department of Defense—Civil	**2,637**	**16**	**2,621**	**20,968**	**98**	**20,870**	**20,194**	**120**	**20,073**
Department of Education:									
Office of Elementary and Secondary Education:									
Education for the disadvantaged	700	......	700	4,757	......	4,757	4,859	......	4,859
Impact aid	14	......	14	652	......	652	702	......	702
School improvement programs	98	......	98	942	......	942	1,019	......	1,019
Other	11	......	11	77	......	77	59	......	59
Total—Office of Elementary and Secondary Education	823	......	823	6,429	......	6,429	6,639	......	6,639
Office of Bilingual Education and Minority Languages Affairs	22	......	22	147	......	147	150	......	150
Office of Special Education and Rehabilitative Services:									
Special education	247	......	247	2,187	......	2,187	2,071	......	2,071
Rehabilitation services and disability research	220	......	220	1,569	......	1,569	1,524	......	1,524
Special institutions for persons with disabilities	12	......	12	95	......	95	90	......	90
Office of Vocational and Adult Education	86	......	86	1,026	......	1,026	947	......	947
Office of Postsecondary Education:									
College housing loans	(* *)	7	−7	14	51	−37	1	38	−36
Student financial assistance	353	......	353	5,037	......	5,037	5,205	......	5,205
Federal family education loans	454	......	454	2,600	......	2,600	−2,376	......	−2,376
Higher education	65	......	65	521	......	521	485	......	485
Howard University	14	......	14	141	......	141	143	......	143
Other	53	......	53	367	......	367	62	......	62
Total—Office of Postsecondary Education	939	7	932	8,681	51	8,630	3,520	38	3,482
Office of Educational Research and Improvement	34	......	34	273	......	273	286	......	286
Departmental management	46	......	46	296	......	296	243	......	243
Proprietary receipts from the public	......	16	−16	......	65	−65	......	116	−116
Total—Department of Education	**2,429**	**23**	**2,406**	**20,703**	**116**	**20,587**	**15,470**	**154**	**15,316**
Department of Energy:									
Atomic energy defense activities	1,017	......	1,017	7,989	......	7,989	7,889	......	7,889
Energy programs:									
General science and research activities	104	......	104	956	......	956	853	......	853
Energy supply, R and D activities	238	......	238	2,145	......	2,145	2,015	......	2,015
Uranium supply and enrichment activities	11	......	11	73	......	73	245	......	245
Fossil energy research and development	34	......	34	288	......	288	270	......	270
Energy conservation	62	......	62	430	......	430	370	......	370
Strategic petroleum reserve	16	......	16	140	......	140	196	......	196
Clean coal technology	......	......	......	......	......	......	......	......	......
Nuclear waste disposal fund	34	......	34	228	......	228	175	......	175
Other	88	(* *)	88	653	1	652	587	2	585
Total—Energy programs	587	(* *)	587	4,912	1	4,912	4,711	2	4,709
Power Marketing Administration	118	194	−76	1,161	1,359	−199	1,176	1,148	28
Departmental administration	37	......	37	319	......	319	300	......	300
Proprietary receipts from the public	......	126	−126	......	1,186	−1,186	......	1,147	−1,147
Intrabudgetary transactions	−86	......	−86	−359	......	−359	−274	......	−274
Offsetting governmental receipts	......	(* *)	(* *)	......	9	−9	......	107	−107
Total—Department of Energy	**1,673**	**320**	**1,353**	**14,022**	**2,555**	**11,467**	**13,802**	**2,404**	**11,398**

Table 5. Outlays of the U.S. Government, May 1995 and Other Periods—Continued

[$ millions]

Classification	This Month			Current Fiscal Year to Date			Prior Fiscal Year to Date		
	Gross Outlays	Applicable Receipts	Outlays	Gross Outlays	Applicable Receipts	Outlays	Gross Outlays	Applicable Receipts	Outlays
Department of Health and Human Services:									
Public Health Service:									
Food and Drug Administration	67	1	66	552	3	548	508	2	505
Health Resources and Services Administration	161	......	161	1,633	......	1,633	1,539	......	1,539
Indian Health Services	152	......	152	1,412	......	1,412	1,149	......	1,149
Centers for Disease Control and Prevention	138	......	138	1,175	......	1,175	969	......	969
National Institutes of Health	1,229	......	1,229	7,179	......	7,179	6,810	......	6,810
Substance Abuse and Mental Health Services Administration	194	......	194	1,587	......	1,587	1,547	......	1,547
Agency for Health Care Policy and Research	11	......	11	82	......	82	64	......	64
Assistant secretary for health	−151	......	−151	163	......	163	133	......	133
Total—Public Health Service	1,803	1	1,802	13,782	3	13,778	12,720	2	12,717
Health Care Financing Administration:									
Grants to States for Medicaid	7,637	......	7,637	58,722	......	58,722	54,083	......	54,083
Payments to health care trust funds	3,781	......	3,781	31,573	......	31,573	27,422	......	27,422
Federal hospital insurance trust fund:									
Benefit payments	10,312	......	10,312	73,401	......	73,401	65,953	......	65,953
Administrative expenses	81	......	81	844	......	844	826	......	826
Interest on normalized tax transfers	......	......	......	......	......	......	......	......	......
Total—FHI trust fund	10,394	......	10,394	74,245	......	74,245	66,779	......	66,779
Federal supplementary medical insurance trust fund:									
Benefit payments	5,555	......	5,555	40,745	......	40,745	37,046	......	37,046
Administrative expenses	145	......	145	1,123	......	1,123	1,119	......	1,119
Total—FSMI trust fund	5,701	......	5,701	41,867	......	41,867	38,165	......	38,165
Other	34	......	34	22	......	22	17	......	17
Total—Health Care Financing Administration	27,547	......	27,547	206,429	......	206,429	186,466	......	186,466
Administration for children and families:									
Family support payments to States	1,534	......	1,534	11,676	......	11,676	11,294	......	11,294
Low income home energy assistance	102	......	102	1,181	......	1,181	1,835	......	1,835
Refugee and entrant assistance	42	......	42	247	......	247	254	......	254
Payments to States for the job opportunities and basic skills training program	83	......	83	646	......	646	538	......	538
State legalization impact assistance grants	−1	......	−1	144	......	144	615	......	615
Payments to States for the child care and development block grant	81	......	81	617	......	617	516	......	516
Social services block grant	251	......	251	1,912	......	1,912	1,849	......	1,849
Children and families services programs	474	......	474	3,424	......	3,424	2,910	......	2,910
Payments to States for foster care and adoption assistance	288	......	288	2,149	......	2,149	2,064	......	2,064
Other	3	......	3	15	......	15	(* *)	......	(* *)
Total—Administration for children and families	2,858	......	2,858	22,011	......	22,011	21,874	......	21,874
Administration on aging	50	......	50	604	......	604	549	......	549
Departmental management	22	......	22	213	......	213	130	......	130
Proprietary receipts from the public	......	1,706	−1,706	......	13,235	−13,235	......	11,687	−11,687
Intrabudgetary transactions:									
Payments for health insurance for the aged:									
Federal hospital insurance trust fund	......	......	......	......	......	......	......	......	......
Federal supplementary medical insurance trust fund	−3,781	......	−3,781	−28,173	......	−28,173	−26,268	......	−26,268
Payments for tax and other credits:									
Federal hospital insurance trust fund	......	......	......	−3,400	......	−3,400	−1,154	......	−1,154
Other	......	......	......	......	......	......	......	......	......
Total—Department of Health and Human Services	**28,498**	**1,707**	**26,791**	**211,465**	**13,238**	**198,227**	**194,317**	**11,689**	**182,628**

Table 5. Outlays of the U.S. Government, May 1995 and Other Periods—Continued

[$ millions]

Classification	This Month			Current Fiscal Year to Date			Prior Fiscal Year to Date		
	Gross Outlays	Applicable Receipts	Outlays	Gross Outlays	Applicable Receipts	Outlays	Gross Outlays	Applicable Receipts	Outlays
Department of Housing and Urban Development:									
Housing programs:									
Public enterprise funds	14	13	1	119	87	31	101	87	14
Credit accounts:									
Federal housing administration fund	1,206	1,747	−542	4,998	5,308	−310	3,884	4,162	−277
Housing for the elderly or handicapped fund	−3	64	−66	541	442	99	696	469	227
Other	51	......	51	383	......	383	293	(* *)	293
Rent supplement payments	12	......	12	107	......	107	48	......	48
Homeownership assistance	11	......	11	79	......	79	70	......	70
Rental housing assistance	53	......	53	433	......	433	439	......	439
Rental housing development grants	......	......	......	(* *)	......	(* *)	5	......	5
Low-rent public housing	64	......	64	525	......	525	545	......	545
Public housing grants	330	......	330	2,416	......	2,416	2,155	......	2,155
College housing grants	2	......	2	12	(* *)	12	13	......	13
Lower income housing assistance	835	......	835	6,625	......	6,625	6,980	......	6,980
Section 8 contract renewals	376	......	376	3,267	......	3,267	2,285	......	2,285
Other	16	......	16	113	......	113	42	......	42
Total—Housing programs	2,967	1,824	1,143	19,619	5,837	13,782	17,555	4,718	12,837
Public and Indian Housing programs:									
Low-rent public housing—Loans and other expenses	2	(* *)	2	259	197	62	293	195	98
Payments for operation of low-income housing projects	245	......	245	1,790	......	1,790	1,698	......	1,698
Community Partnerships Against Crime	16	......	16	108	......	108	107	......	107
Other	3	......	3	14	......	14	......	......	......
Total—Public and Indian Housing programs	266	(* *)	265	2,171	197	1,973	2,098	195	1,903
Government National Mortgage Association:									
Management and liquidating functions fund	......	......	......	......	(* *)	(* *)	(* *)	1	−1
Guarantees of mortgage-backed securities	18	54	−37	234	525	−291	697	1,029	−332
Total—Government National Mortgage Association	18	54	−37	234	525	−291	697	1,029	−333
Community Planning and Development:									
Community Development Grants	361	......	361	2,792	......	2,792	2,261	......	2,261
Home investment partnerships program	92	......	92	749	......	749	438	......	438
Other	28	9	19	214	78	135	192	87	106
Total—Community Planning and Development	481	9	473	3,754	78	3,676	2,891	87	2,804
Management and Administration	29	......	29	331	......	331	337	......	337
Other	3	......	3	38	......	38	23	......	23
Proprietary receipts from the public	......	33	−33	......	301	−301	......	175	−175
Offsetting governmental receipts	......	......	......	......	5	−5	......	5	−5
Total—Department of Housing and Urban Development	**3,764**	**1,921**	**1,843**	**26,147**	**6,944**	**19,203**	**23,601**	**6,210**	**17,391**
Department of the Interior:									
Land and minerals management:									
Bureau of Land Management:									
Management of lands and resources	56	......	56	491	......	491	437	......	437
Other	15	......	15	268	......	268	153	......	153
Minerals Management Service	52	......	52	462	......	462	513	......	513
Office of Surface Mining Reclamation and Enforcement	20	......	20	207	......	207	192	......	192
Total—Land and minerals management	143	......	143	1,428	......	1,428	1,296	......	1,296
Water and science:									
Bureau of Reclamation:									
Construction program	31	......	31	199	......	199	191	......	191
Operation and maintenance	21	......	21	168	......	168	179	......	179
Other	35	6	28	277	116	162	303	109	194
Central utah project	(* *)	......	(* *)	26	......	26	6	......	6
United States Geological Survey	48	......	48	372	......	372	404	......	404
Bureau of Mines	15	1	14	115	17	98	127	18	109
Total—Water and science	150	8	143	1,158	133	1,025	1,209	127	1,083
Fish and wildlife and parks:									
United States Fish and Wildlife Service	128	......	128	840	......	840	811	......	811
National Biological Survey	13	......	13	86	......	86	59	......	59
National Park Service	112	......	112	1,010	......	1,010	943	......	943
Total—Fish and wildlife and parks	253	......	253	1,936	......	1,936	1,813	......	1,813

Table 5. Outlays of the U.S. Government, May 1995 and Other Periods—Continued

[$ millions]

Classification	This Month			Current Fiscal Year to Date			Prior Fiscal Year to Date		
	Gross Outlays	Applicable Receipts	Outlays	Gross Outlays	Applicable Receipts	Outlays	Gross Outlays	Applicable Receipts	Outlays
Department of the Interior:—Continued									
Bureau of Indian Affairs:									
Operation of Indian programs	105	......	105	992	......	992	886	......	886
Indian tribal funds	18	......	18	188	......	188	190	......	190
Other	30	(* *)	30	279	8	272	320	6	314
Total—Bureau of Indian Affairs	153	(* *)	153	1,459	8	1,451	1,396	6	1,389
Territorial and international affairs	10	......	10	370	......	370	205	......	205
Departmental offices	22	......	22	79	......	79	97	......	97
Proprietary receipts from the public	......	144	−144	......	1,233	−1,233	......	1,324	−1,324
Intrabudgetary transactions	−5	......	−5	−167	......	−167	−202	......	−202
Offsetting governmental receipts	......	(* *)	(* *)	......	3	−3	......	(* *)	(* *)
Total—Department of the Interior	**726**	**152**	**574**	**6,262**	**1,377**	**4,885**	**5,814**	**1,457**	**4,357**
Department of Justice:									
Legal activities	286	......	286	1,781	......	1,781	1,608	......	1,608
Federal Bureau of Investigation	134	......	134	1,347	......	1,347	1,432	......	1,432
Drug Enforcement Administration	−51	......	−51	510	......	510	516	......	516
Immigration and Naturalization Service	147	......	147	1,119	......	1,119	990	......	990
Federal Prison System	246	12	235	1,850	86	1,764	1,579	78	1,501
Office of Justice Programs	95	......	95	446	......	446	579	......	579
Other	35	......	35	539	......	539	401	......	401
Intrabudgetary transactions	−6	......	−6	−39	......	−39	−23	......	−23
Offsetting governmental receipts	......	101	−101	......	561	−561	......	358	−358
Total—Department of Justice	**886**	**112**	**774**	**7,555**	**646**	**6,908**	**7,082**	**437**	**6,645**
Department of Labor:									
Employment and Training Administration:									
Training and employment services	383	......	383	2,827	......	2,827	2,554	......	2,554
Community Service Employment for Older Americans	38	......	38	260	......	260	257	......	257
Federal unemployment benefits and allowances	26	......	26	139	......	139	95	......	95
State unemployment insurance and employment service operations	32	......	32	39	......	39	144	......	144
Payments to the unemployment trust fund	......	......	......	......	......	......	......	......	......
Advances to the unemployment trust fund and other funds	......	......	......	619	......	619	2,547	......	2,547
Unemployment trust fund:									
Federal-State unemployment insurance:									
State unemployment benefits	1,794	......	1,794	14,871	......	14,871	20,012	......	20,012
State administrative expenses	235	......	235	2,135	......	2,135	2,090	......	2,090
Federal administrative expenses	12	......	12	150	......	150	132	......	132
Veterans employment and training	15	......	15	120	......	120	125	......	125
Repayment of advances from the general fund	......	......	......	......	......	......	......	......	......
Railroad unemployment insurance	4	......	4	44	......	44	49	......	49
Other	1	......	1	12	......	12	14	......	14
Total—Unemployment trust fund	2,062	......	2,062	17,333	......	17,333	22,422	......	22,422
Other	4	......	4	56	......	56	58	......	58
Total—Employment and Training Administration	2,545	......	2,545	21,272	......	21,272	28,076	......	28,076
Pension Benefit Guaranty Corporation	122	157	−35	981	1,185	−204	844	1,124	−281
Employment Standards Administration:									
Salaries and expenses	19	......	19	159	......	159	154	......	154
Special benefits	157	......	157	5	......	5	33	......	33
Black lung disability trust fund	47	......	47	382	......	382	401	......	401
Other	15	......	15	94	......	94	83	......	83
Occupational Safety and Health Administration	23	......	23	197	......	197	194	......	194
Bureau of Labor Statistics	17	......	17	182	......	182	176	......	176
Other	51	......	51	314	......	314	314	......	314
Proprietary receipts from the public	......	(* *)	(* *)	......	5	−5	......	2	−2
Intrabudgetary transactions	−98	......	−98	−1,010	......	−1,010	−2,976	......	−2,976
Total—Department of Labor	**2,898**	**158**	**2,741**	**22,578**	**1,190**	**21,388**	**27,299**	**1,126**	**26,173**

Table 5. Outlays of the U.S. Government, May 1995 and Other Periods—Continued

[$ millions]

Classification	This Month			Current Fiscal Year to Date			Prior Fiscal Year to Date		
	Gross Outlays	Applicable Receipts	Outlays	Gross Outlays	Applicable Receipts	Outlays	Gross Outlays	Applicable Receipts	Outlays
Department of State:									
Administration of Foreign Affairs:									
Diplomatic and consular programs	116	......	116	1,022	......	1,022	1,118	......	1,118
Acquisition and maintenance of buildings abroad	36	......	36	345	......	345	387	......	387
Payment to Foreign Service retirement and disability fund	......	......	......	129	......	129	125	......	125
Foreign Service retirement and disability fund	34	......	34	297	......	297	265	......	265
Other	43	......	43	334	......	334	165	......	165
Total—Administration of Foreign Affairs	229	......	229	2,126	......	2,126	2,060	......	2,060
International organizations and Conferences	42	......	42	1,311	......	1,311	1,182	......	1,182
Migration and refugee assistance	45	......	45	460	......	460	475	......	475
Other	20	......	20	84	......	84	124	......	124
Proprietary receipts from the public	......	......	......	......	......	......	......	......	......
Intrabudgetary transactions	(* *)	......	(* *)	−182	......	−182	−176	......	−176
Offsetting governmental receipts	......	......	......	......	......	......	......	......	......
Total—Department of State	**335**	......	**335**	**3,799**	......	**3,799**	**3,664**	......	**3,664**
Department of Transportation:									
Federal Highway Administration:									
Highway trust fund:									
Federal-aid highways	1,790	......	1,790	11,757	......	11,757	11,092	......	11,092
Other	20	......	20	119	......	119	104	......	104
Other programs	19	......	19	126	......	126	143	......	143
Total—Federal Highway Administration	1,829	......	1,829	12,003	......	12,003	11,339	......	11,339
National Highway Traffic Safety Administration	24	......	24	178	......	178	169	......	169
Federal Railroad Administration:									
Grants to National Railroad Passenger Corporation	(* *)	......	(* *)	708	......	708	425	......	425
Other	33	1	33	151	7	144	245	8	237
Total—Federal Railroad Administration	33	1	33	859	7	852	670	8	662
Federal Transit Administration:									
Formula grants	120	......	120	439	......	439	−63	......	−63
Discretionary grants	187	......	187	1,332	......	1,332	1,077	......	1,077
Other	47	......	47	1,206	......	1,206	1,536	......	1,536
Total—Federal Transit Administration	353	......	353	2,977	......	2,977	2,549	......	2,549
Federal Aviation Administration:									
Operations	48	......	48	1,294	......	1,294	1,684	......	1,684
Airport and airway trust fund:									
Grants-in-aid for airports	95	......	95	1,164	......	1,164	1,027	......	1,027
Facilities and equipment	241	......	241	1,749	......	1,749	1,473	......	1,473
Research, engineering and development	25	......	25	151	......	151	141	......	141
Operations	204	......	204	1,729	......	1,729	1,434	......	1,434
Total—Airport and airway trust fund	565	......	565	4,793	......	4,793	4,074	......	4,074
Other	(* *)	(* *)	(* *)	(* *)	1	−1	(* *)	1	−1
Total—Federal Aviation Administration	613	(* *)	613	6,088	1	6,086	5,759	1	5,758
Coast Guard:									
Operating expenses	221	......	221	1,640	......	1,640	1,603	......	1,603
Acquisition, construction, and improvements	16	......	16	163	......	163	219	......	219
Retired pay	42	......	42	352	......	352	333	......	333
Other	25	(* *)	25	194	4	191	229	4	225
Total—Coast Guard	303	(* *)	303	2,349	4	2,346	2,385	4	2,381
Maritime Administration	48	4	43	458	186	272	584	244	340
Other	31	1	31	242	6	236	263	4	259
Proprietary receipts from the public	......	(* *)	(* *)	......	3	−3	......	3	−3
Intrabudgetary transactions	......	......	......	(* *)	......	(* *)	10	......	10
Offsetting governmental receipts	......	36	−36	......	73	−73	......	46	−46
Total—Department of Transportation	**3,236**	**42**	**3,193**	**25,154**	**280**	**24,874**	**23,728**	**310**	**23,419**

Table 5. Outlays of the U.S. Government, May 1995 and Other Periods—Continued

[$ millions]

Classification	This Month			Current Fiscal Year to Date			Prior Fiscal Year to Date		
	Gross Outlays	Applicable Receipts	Outlays	Gross Outlays	Applicable Receipts	Outlays	Gross Outlays	Applicable Receipts	Outlays
Department of the Treasury:									
Departmental offices:									
Exchange stabilization fund	−144	2	−146	−1,844	14	−1,858	−766	8	−773
Other	−9	......	−9	117	......	117	116	......	116
Financial Management Service:									
Salaries and expenses	10	......	10	162	......	162	161	......	161
Payment to the Resolution Funding Corporation	......	......	......	1,751	......	1,751	1,751	......	1,751
Claims, judgements, and relief acts	52	......	52	480	......	480	345	......	345
Net interest paid to loan guarantee financing accounts	......	......	......	766	......	766	2	......	2
Other	2	......	2	63	......	63	95	......	95
Total—Financial Management Service	65	......	65	3,223	......	3,223	2,354	......	2,354
Federal Financing Bank	−114	......	−114	−216	......	−216	−216	......	−216
Bureau of Alcohol, Tobacco and Firearms:									
Salaries and expenses	23	......	23	250	......	250	257	......	257
Internal revenue collections for Puerto Rico	18	......	18	136	......	136	131	......	131
United States Customs Service	153	......	153	1,195	......	1,195	1,290	......	1,290
Bureau of Engraving and Printing	−41	......	−41	(* *)	......	(* *)	5	......	5
United States Mint	−19	......	−19	−110	......	−110	−42	......	−42
Bureau of the Public Debt	14	......	14	191	......	191	182	......	182
Internal Revenue Service:									
Processing, assistance, and management	156	......	156	1,196	......	1,196	1,232	......	1,232
Tax law enforcement	321	......	321	2,731	......	2,731	2,527	......	2,527
Information systems	157	......	157	1,016	......	1,016	762	......	762
Payment where earned income credit exceeds liability for tax	3,031	......	3,031	14,252	......	14,252	10,599	......	10,599
Health insurance supplement to earned income credit	......	......	......	......	......	......	738	......	738
Refunding internal revenue collections, interest	262	......	262	2,030	......	2,030	1,737	......	1,737
Other	(* *)	(* *)	(* *)	2	(* *)	2	−1	......	−1
Total—Internal Revenue Service	3,927	(* *)	3,927	21,227	(* *)	21,226	17,594	......	17,594
United States Secret Service	35	......	35	348	......	348	326	......	326
Comptroller of the Currency	28	2	26	273	199	74	251	224	28
Office of Thrift Supervison	11	1	10	108	81	27	117	87	31
Interest on the public debt:									
Public issues (accrual basis)	20,301	......	20,301	154,225	......	154,225	136,554	......	136,554
Special issues (cash basis)	6,468	......	6,468	55,412	......	55,412	50,556	......	50,556
Total—Interest on the public debt	26,769	......	26,769	209,637	......	209,637	187,110	......	187,110
Other	6	......	6	35	......	35	39	......	39
Proprietary receipts from the public	......	612	−612	......	2,870	−2,870	......	2,039	−2,039
Receipts from off-budget federal entities	......	......	......	......	......	......	......	......	......
Intrabudgetary transactions	−728	......	−728	−6,257	......	−6,257	−7,256	......	−7,256
Offsetting governmental receipts	......	132	−132	......	711	−711	......	508	−508
Total—Department of the Treasury	**29,995**	**749**	**29,245**	**228,314**	**3,876**	**224,437**	**201,492**	**2,865**	**198,627**

Table 5. Outlays of the U.S. Government, May 1995 and Other Periods—Continued

[$ millions]

Classification	This Month			Current Fiscal Year to Date			Prior Fiscal Year to Date		
	Gross Outlays	Applicable Receipts	Outlays	Gross Outlays	Applicable Receipts	Outlays	Gross Outlays	Applicable Receipts	Outlays
Department of Veterans Affairs:									
Veterans Health Administration:									
Medical care	1,360	......	1,360	10,481	......	10,481	9,909	......	9,909
Other	62	22	41	464	181	282	459	178	281
Veterans Benefits Administration:									
Public enterprise funds:									
Guaranty and indemnity fund	63	63	(* *)	628	348	280	996	479	517
Loan guaranty revolving fund	-4	31	-35	313	270	43	413	320	93
Other	13	8	4	120	74	46	274	160	115
Compensation and pensions	1,518	......	1,518	10,464	......	10,464	11,396	......	11,396
Readjustment benefits	120	......	120	871	......	871	817	......	817
Post-Vietnam era veterans education account	5	......	5	44	......	44	59	......	59
Insurance funds:									
National service life	104	......	104	832	......	832	823	......	823
United States government life	1	......	1	12	......	12	12	......	12
Veterans special life	12	3	9	98	95	3	90	95	-5
Other	8	......	8	23	......	23	-3	......	-3
Total—Veterans Benefits Administration	1,839	105	1,734	13,404	787	12,618	14,877	1,053	13,824
Construction	38	......	38	417	(* *)	417	448	(* *)	448
Departmental administration	99	......	99	754	......	754	697	......	697
Proprietary receipts from the public:									
National service life	......	22	-22	......	182	-182	......	233	-233
United States government life	......	(* *)	(* *)	......	(* *)	(* *)	......	(* *)	(* *)
Other	......	63	-63	......	477	-477	......	929	-929
Intrabudgetary transactions	-2	......	-2	-17	......	-17	-27	......	-27
Total—Department of Veterans Affairs	**3,396**	**211**	**3,185**	**25,503**	**1,628**	**23,876**	**26,362**	**2,393**	**23,969**
Environmental Protection Agency:									
Program and research operations	69	......	69	585	......	585	561	......	561
Abatement, control, and compliance	83	......	83	948	......	948	819	......	819
Water infrastructure financing	225	......	225	1,563	......	1,563	1,262	......	1,262
Hazardous substance superfund	163	......	163	941	......	941	919	......	919
Other	45	(* *)	45	552	(* *)	552	537	3	534
Proprietary receipts from the public	......	14	-14	......	194	-194	......	136	-136
Intrabudgetary transactions	......	......	......	-250	......	-250	-250	......	-250
Offsetting governmental receipts	......	(* *)	(* *)	......	6	-6	......	6	-6
Total—Environmental Protection Agency	**585**	**15**	**571**	**4,340**	**200**	**4,140**	**3,847**	**145**	**3,702**
General Services Administration:									
Real property activities	355	......	355	63	......	63	-211	......	-211
Personal property activities	161	......	161	190	......	190	-10	......	-10
Other	25	......	25	230	......	230	143	......	143
Proprietary receipts from the public	......	1	-1	......	(* *)	(* *)	......	3	-3
Total—General Services Administration	**541**	**1**	**540**	**483**	**(* *)**	**483**	**-79**	**3**	**-82**
National Aeronautics and Space Administration:									
Human space flight	415	......	415	1,760	......	1,760	......	......	......
Science, aeronautics and technology	430	......	430	1,291	......	1,291	......	......	......
Mission support	177	......	177	1,277	......	1,277	......	......	......
Research and development	102	......	102	2,807	......	2,807	4,309	......	4,309
Space flight, control and data communications	98	......	98	1,297	......	1,297	3,224	......	3,224
Construction of facilities	19	......	19	210	......	210	265	......	265
Research and program management	2	......	2	94	......	94	1,091	......	1,091
Other	1	......	1	10	......	10	10	......	10
Total—National Aeronautics and Space Administration	**1,245**	**......**	**1,245**	**8,744**	**......**	**8,744**	**8,899**	**......**	**8,899**
Office of Personnel Management:									
Government payment for annuitants, employees health and life insurance benefits	338	......	338	2,658	......	2,658	2,634	......	2,634
Payment to civil service retirement and disability fund	......	......	......	......	......	......	......	......	......
Civil service retirement and disability fund	3,223	......	3,223	25,443	......	25,443	23,967	......	23,967
Employees life insurance fund	132	337	-205	1,070	1,789	-719	910	1,825	-915
Employees and retired employees health benefits fund	1,360	1,306	53	10,355	10,584	-229	10,046	10,537	-491
Other	24	......	24	52	......	52	102	......	102
Intrabudgetary transactions:									
Civil service retirement and disability fund:									
General fund contributions	......	......	......	......	......	......	......	......	......
Other	-3	......	-3	-22	......	-22	-23	......	-23
Total—Office of Personnel Management	**5,074**	**1,644**	**3,431**	**39,557**	**12,373**	**27,184**	**37,635**	**12,362**	**25,273**

Table 5. Outlays of the U.S. Government, May 1995 and Other Periods—Continued

[$ millions]

Classification	This Month			Current Fiscal Year to Date			Prior Fiscal Year to Date		
	Gross Outlays	Applicable Receipts	Outlays	Gross Outlays	Applicable Receipts	Outlays	Gross Outlays	Applicable Receipts	Outlays
Small Business Administration:									
Public enterprise funds:									
Business loan fund	52	55	−3	258	264	−6	375	271	105
Disaster loan fund	31	18	12	355	161	194	130	197	−67
Other	1	1	(* *)	14	10	4	16	8	7
Other	46	(* *)	46	389	1	389	369	(* *)	369
Total—Small Business Administration	**130**	**75**	**55**	**1,016**	**436**	**580**	**891**	**476**	**414**
Social Security Administration:									
Payments to Social Security trust funds	13	......	13	3,852	......	3,852	4,145	......	4,145
Special benefits for disabled coal miners	59	......	59	484	......	484	521	......	521
Supplemental security income program	2,191	......	2,191	15,340	......	15,340	16,137	......	16,137
Office of the Inspector General	(* *)	......	(* *)	(* *)	......	(* *)	......	......	......
Federal old-age and survivors insurance trust fund (off-budget):									
Benefit payments	24,348	......	24,348	191,376	......	191,376	183,267	......	183,267
Administrative expenses	177	......	177	1,157	......	1,157	1,054	......	1,054
Payment to railroad retirement account	......	......	......	......	......	......	......	......	......
Other	......	......	......	......	......	......	......	......	......
Total—FOASI trust fund	24,525	......	24,525	192,534	......	192,534	184,321	......	184,321
Federal disability insurance trust fund (off-budget):									
Benefit payments	3,403	......	3,403	26,423	......	26,423	24,168	......	24,168
Administrative expenses	73	......	73	718	......	718	662	......	662
Payment to railroad retirement account	......	......	......	......	......	......	......	......	......
Other	......	......	......	......	......	......	......	......	......
Total—FDI trust fund	3,476	......	3,476	27,141	......	27,141	24,829	......	24,829
Proprietary receipts from the public:									
On-budget	......	27	−27	......	412	−412	......	408	−408
Off-budget	......	2	−2	......	8	−8	......	10	−10
Intrabudgetary transactions:									
On-budget	......	......	......	......	......	......	......	......	......
Off-budget[3]	−14	......	−14	−3,853	......	−3,853	−4,140	......	−4,140
Total—Social Security Administration	**30,250**	**30**	**30,221**	**235,496**	**420**	**235,077**	**225,814**	**418**	**225,396**
Other independent agencies:									
Board for International Broadcasting	29	......	29	153	......	153	129	......	129
Corporation for National and Community Service	27	......	27	271	......	271	126	......	126
Corporation for Public Broadcasting	......	......	......	286	......	286	275	......	275
District of Columbia:									
Federal payment	......	......	......	714	......	714	698	......	698
Other	(* *)	......	(* *)	5	12	−7	3	12	−9
Equal Employment Opportunity Commission	15	(* *)	15	158	(* *)	157	156	(* *)	155
Export-Import Bank of the United States	−45	91	−136	838	675	163	681	1,408	−727
Federal Communications Commission	15	4	11	107	34	73	95	27	68
Federal Deposit Insurance Corporation:									
Bank insurance fund	108	506	−398	1,609	6,850	−5,242	1,760	8,129	−6,368
Savings association insurance fund	9	32	−24	34	578	−544	17	551	−534
FSLIC resolution fund	421	6	416	1,610	667	943	1,535	2,374	−839
Affordable housing and bank enterprise	(* *)	......	(* *)	3	......	3	3	......	3
Total—Federal Deposit Insurance Corporation	538	544	−6	3,256	8,095	−4,839	3,315	11,053	−7,738
Federal Emergency Management Agency:									
Public enterprise funds	24	37	−12	300	233	66	282	245	37
Disaster relief	181	......	181	1,626	......	1,626	2,434	......	2,434
Emergency management planning and assistance	30	......	30	185	......	185	153	......	153
Other	21	7	13	203	14	189	168	......	168
Federal Trade Commission	7	......	7	55	......	55	59	......	59
Interstate Commerce Commission	2	......	2	25	......	25	28	......	28
Legal Services Corporation	34	......	34	295	......	295	264	......	264
National Archives and Records Administration	25	(* *)	25	155	(* *)	155	152	(* *)	152
National Credit Union Administration:									
Credit union share insurance fund	25	42	−18	11	238	−227	−3	220	−223
Central liquidity facility	......	......	......	5	5	(* *)	54	54	(* *)
Other	−3	(* *)	−3	−11	3	−14	23	48	−25

Table 5. Outlays of the U.S. Government, May 1995 and Other Periods—Continued

[$ millions]

Classification	This Month			Current Fiscal Year to Date			Prior Fiscal Year to Date		
	Gross Outlays	Applicable Receipts	Outlays	Gross Outlays	Applicable Receipts	Outlays	Gross Outlays	Applicable Receipts	Outlays
Other independent agencies:—Continued									
National Endowment for the Arts	13	......	13	118	......	118	114	......	114
National Endowment for the Humanities	14	......	14	108	......	108	105	......	105
National Labor Relations Board	12	......	12	115	......	115	116	......	116
National Science Foundation	247	......	247	1,709	......	1,709	1,593	......	1,593
Nuclear Regulatory Commission	45	92	−47	356	381	−25	353	337	15
Panama Canal Commission	45	56	−12	368	415	−47	346	375	−29
Postal Service:									
Public enterprise funds (off-budget)	3,945	[4]4,546	−602	32,519	36,677	−4,158	31,188	33,146	−1,957
Payment to the Postal Service fund	(* *)	......	(* *)	107	......	107	107	......	107
Railroad Retirement Board:									
Federal windfall subsidy	21	......	21	170	......	170	182	......	182
Federal payments to the railroad retirement accounts	(* *)	......	(* *)	172	......	172	38	......	38
Rail industry pension fund:									
Benefit payments	243	......	243	1,876	......	1,876	1,888	......	1,888
Advances from FOASDI fund	−92	......	−92	−732	......	−732	−723	......	−723
OASDI certifications	92	......	92	732	......	732	723	......	723
Administrative expenses	5	......	5	47	......	47	48	......	48
Interest on refunds of taxes	(* *)	......	(* *)	16	......	16	16	......	16
Other	(* *)	......	(* *)	4	......	4	4	......	4
Intrabudgetary transactions:									
Payments from other funds to the railroad retirement trust funds	......	......	......	......	......	......	......	......	......
Other	......	......	......	−172	......	−172	−38	......	−38
Supplemental annuity pension fund:									
Benefit payments	7	......	7	61	......	61	64	......	64
Interest on refund of taxes	(* *)	......	(* *)	1	......	1	......	......	......
Railroad Social Security equivalent benefit account:									
Benefit payments	402	......	402	3,262	......	3,262	3,188	......	3,188
Interest on refund of taxes	(* *)	......	(* *)	(* *)	......	(* *)	......	......	......
Other	(* *)	......	(* *)	1	......	1	2	......	2
Total—Railroad Retirement Board	679	......	679	5,439	......	5,439	5,392	......	5,392
Resolution Trust Corporation	520	1,544	−1,024	3,810	11,369	−7,559	12,297	9,619	2,678
Securities and Exchange Commission	9	......	9	85	......	85	34	......	34
Smithsonian Institution	33	......	33	282	......	282	255	......	255
Tennessee Valley Authority	837	681	156	6,340	5,262	1,078	6,728	5,814	914
United States Information Agency	87	......	87	746	(* *)	746	735	(* *)	735
Other	185	181	4	1,801	1,429	372	1,604	879	724
Total—Other independent agencies	**7,595**	**7,827**	**−232**	**62,536**	**64,841**	**−2,306**	**70,058**	**63,237**	**6,821**
Undistributed offsetting receipts:									
Other interest	......	......	......	......	(* *)	(* *)	......	(* *)	(* *)
Employer share, employee retirement:									
Legislative Branch:									
United States Tax Court:									
Tax court judges survivors annuity fund	(* *)	......	(* *)	(* *)	......	(* *)	(* *)	......	(* *)
The Judiciary:									
Judicial survivors annuity fund	......	......	......	......	......	......	......	......	......
Department of Defense—Civil:									
Military retirement fund	−1,022	......	−1,022	−8,157	......	−8,157	−8,535	......	−8,535
Department of Health and Human Services:									
Federal hospital insurance trust fund:									
Federal employer contributions	−152	......	−152	−1,214	......	−1,214	−1,201	......	−1,201
Postal Service employer contributions	−48	......	−48	−372	......	−372	−345	......	−345
Payments for military service credits	......	......	......	......	......	......	......	......	......
Department of State:									
Foreign Service retirement and disability fund	−9	......	−9	−72	......	−72	−73	......	−73
Office of Personnel Management:									
Civil service retirement and disability fund	−822	......	−822	−6,445	......	−6,445	−6,548	......	−6,548
Social Security administration (off-budget):									
Federal old-age and survivors insurance trust fund:									
Federal employer contributions	−456	......	−456	−3,416	......	−3,416	−3,592	......	−3,592
Payments for military service credits	......	......	......	17	......	17	......	......	......
Federal disability insurance trust fund:									
Federal employer contributions	−81	......	−81	−610	......	−610	−386	......	−386
Payments for military service credits	......	......	......	−17	......	−17	......	......	......
Independent agencies:									
Court of veterans appeals retirement fund	......	......	......	......	......	......	......	......	......
Total—Employer share, employee retirement	−2,590	......	−2,590	−20,285	......	−20,285	−20,682	......	−20,682

Table 5. Outlays of the U.S. Government, May 1995 and Other Periods—Continued

[$ millions]

Classification	This Month			Current Fiscal Year to Date			Prior Fiscal Year to Date		
	Gross Outlays	Applicable Receipts	Outlays	Gross Outlays	Applicable Receipts	Outlays	Gross Outlays	Applicable Receipts	Outlays
Undistributed offsetting receipts:—Continued									
Interest received by trust funds:									
The Judiciary:									
Judicial survivors annuity fund	−4	......	−4	−14	......	−14	−13	......	−13
Department of Defense—Civil:									
Corps of Engineers	−2	......	−2	−13	......	−13	−9	......	−9
Military retirement fund	−5,007	......	−5,007	−10,789	......	−10,789	−10,224	......	−10,224
Education benefits fund	−13	......	−13	−35	......	−35	−41	......	−41
Soldiers' and airmen's home permanent fund	−1	......	−1	−6	......	−6	−6	......	−6
Other	(* *)	......	(* *)	−1	......	−1	(* *)	......	(* *)
Department of Health and Human Services:									
Federal hospital insurance trust fund	−11	......	−11	−5,407	......	−5,407	−5,364	......	−5,364
Federal supplementary medical insurance trust fund	−16	......	−16	−984	......	−984	−1,090	......	−1,090
Department of Labor:									
Unemployment trust fund	−51	......	−51	−1,443	......	−1,443	−1,347	......	−1,347
Department of State:									
Foreign Service retirement and disability fund	−1	......	−1	−301	......	−301	−281	......	−281
Department of Transportation:									
Highway trust fund	−48	......	−48	−625	......	−625	−732	......	−732
Airport and airway trust fund	−9	......	−9	−410	......	−410	−425	......	−425
Oil spill liability trust fund	−2	......	−2	−6	......	−6	−6	......	−6
Department of Veterans Affairs:									
National service life insurance fund	−3	......	−3	−540	......	−540	−541	......	−541
United States government life Insurance Fund	(* *)	......	(* *)	−4	......	−4	−5	......	−5
Environmental Protection Agency	(* *)	......	(* *)	−1	......	−1	−1	......	−1
National Aeronautics and Space Administration	(* *)	......	(* *)	−1	......	−1	−1	......	−1
Environmental Protection Agency	......	......	......	......	......	......	......	......	......
Civil service retirement and disability fund	−90	......	−90	−14,036	......	−14,036	−13,120	......	−13,120
Social Security administration (off-budget):									
Federal old-age and survivors insurance trust fund	−63	......	−63	−15,423	......	−15,423	−14,294	......	−14,294
Federal disability insurance trust fund	−10	......	−10	−869	......	−869	−412	......	−412
Independent agencies:									
Railroad Retirement Board	−147	......	−147	−553	......	−553	−426	......	−426
Other	−4	......	−4	−15	......	−15	−10	......	−10
Other	−42	......	−42	−176	......	−176	−113	......	−113
Total—Interest received by trust funds	−5,524	......	−5,524	−51,654	......	−51,654	−48,463	......	−48,463
Rents and royalties on the outer continental shelf lands	......	366	−366	......	1,451	−1,451	......	2,040	−2,040
Sale of major assets	......	......	......	......	......	......	......	......	......
Spectrum auction proceeds	......	......	......	......	610	−610	......	......	......
Total—Undistributed offsetting receipts	**−8,114**	**366**	**−8,480**	**−71,939**	**2,061**	**−74,001**	**−69,144**	**2,040**	**−71,184**
Total outlays	**147,278**	**17,923**	**129,355**	**1,140,102**	**136,697**	**1,003,406**	**1,097,801**	**131,774**	**966,028**
Total on-budget	**115,956**	**13,374**	**102,581**	**912,080**	**100,012**	**812,068**	**880,286**	**98,618**	**781,668**
Total off-budget	**31,322**	**4,549**	**26,773**	**228,022**	**36,685**	**191,337**	**217,515**	**33,155**	**184,360**
Total surplus (+) or deficit			**−38,950**			**−133,226**			**−164,745**
Total on-budget			**−41,554**			**−176,133**			**−201,547**
Total off-budget			**+2,604**			**+42,907**			**+36,802**

MEMORANDUM

Receipts offset against outlays [$ millions]

	Current Fiscal Year to Date	Comparable Period Prior Fiscal Year
Proprietary receipts	32,977	31,506
Receipts from off-budget federal entities	......	......
Intrabudgetary transactions	127,174	123,414
Governmental receipts	2,374	1,375
Total receipts offset against outlays	162,525	156,295

[1]Outlays have been decreased in August 1994 by $9 million and in February 1995 by $9 million to reflect the redemption of agency securities not previously reported by the Architect of the Capitol.

[2]Outlays and deposit funds have been increased in September 1994 by $3 million and $8 million to reflect additional reporting by the Department of the Army and Department of the Navy, respectively.

[3]Includes FICA and SECA tax credits, non-contributory military service credits, special benefits for the aged, and credit for unnegotiated OASI benefit checks.

[4]The Postal Service accounting is composed of thirteen 28-day accounting periods. To conform with the MTS calendar-month reporting basis used by all other Federal agencies, the MTS reflects USPS results through May 26th and estimates for $266 million through May 31st.

... No Transactions.

(* *) Less than $500,000

Note: Details may not add to totals due to rounding

Table 6. Means of Financing the Deficit or Disposition of Surplus by the U.S. Government, May 1995 and Other Periods

[$ millions]

Assets and Liabilities Directly Related to Budget Off-budget Activity	Net Transactions (−) denotes net reduction of either liability or asset accounts			Account Balances Current Fiscal Year		
	This Month	Fiscal Year to Date		Beginning of		Close of This month
		This Year	Prior Year	This Year	This Month	
Liability accounts:						
Borrowing from the public:						
Public debt securities, issued under general Financing authorities:						
Obligations of the United States, issued by:						
United States Treasury	51,599	211,176	197,807	4,677,750	4,837,327	4,888,926
Federal Financing Bank	......	......	......	15,000	15,000	15,000
Total, public debt securities	51,599	211,176	197,807	4,692,750	4,852,327	4,903,926
Plus premium on public debt securities	−8	−63	−9	1,333	1,277	1,269
Less discount on public debt securities	−311	1,937	−10,843	78,631	80,879	80,568
Total public debt securities net of Premium and discount	51,902	209,176	208,641	4,615,453	4,772,727	4,824,629
Agency securities, issued under special financing authorities (see Schedule B. for other Agency borrowing, see Schedule C)	201	−1,522	2,104	28,185	26,462	26,663
Total federal securities	52,103	207,654	210,746	4,643,638	4,799,189	4,851,292
Deduct:						
Federal securities held as investments of government accounts (see Schedule D)	7,383	65,514	52,945	1,213,104	1,271,236	1,278,619
Less discount on federal securities held as investments of government accounts	20	578	−12,011	1,684	2,242	2,261
Net federal securities held as investments of government accounts	7,363	64,937	64,956	1,211,421	1,268,994	1,276,358
Total borrowing from the public	44,740	142,717	145,790	3,432,218	3,530,195	3,574,935
Accrued interest payable to the public	−19,486	−7,780	−10,100	43,287	54,994	35,508
Allocations of special drawing rights	14	532	−5	7,189	7,707	7,721
Deposit funds	−809	−1,339	−1,593	[1]7,327	6,797	5,988
Miscellaneous liability accounts (includes checks Outstanding etc.)	2,060	7,396	7,955	4,938	10,274	12,334
Total liability accounts	**26,519**	**141,526**	**142,048**	**3,494,959**	**3,609,966**	**3,636,485**
Asset accounts (deduct)						
Cash and monetary assets:						
U.S. Treasury operating cash:[2]						
Federal Reserve account	−3,595	−2,202	−11,614	6,848	8,241	4,646
Tax and loan note accounts	−8,246	−7,512	−13,698	29,094	29,828	21,582
Balance	−11,841	−9,714	−25,312	35,942	38,069	26,228
Special drawing rights:						
Total holdings	179	1,952	319	9,971	11,743	11,923
SDR certificates issued to Federal Reserve banks	......	......	......	−8,018	−8,018	−8,018
Balance	179	1,952	319	1,953	3,725	3,905
Reserve position on the U.S. quota in the IMF:						
U.S. subscription to International Monetary Fund:						
Direct quota payments	......	......	......	31,762	31,762	31,762
Maintenance of value adjustments	76	2,879	−28	7,163	9,965	10,042
Letter of credit issued to IMF	−3	1,230	−251	−25,923	−24,690	−24,693
Dollar deposits with the IMF	45	44	(* *)	−96	−98	−53
Receivable/Payable (−) for interim maintenance of value adjustments	−50	−1,944	17	−837	−2,730	−2,781
Balance	68	2,208	−262	12,069	14,209	14,277
Loans to International Monetary Fund	......	......	......	(* *)	(* *)	(* *)
Other cash and monetary assets	2,511	10,753	2,851	21,416	29,658	32,169
Total cash and monetary assets	−9,082	5,200	−22,404	71,379	85,661	76,579
Net activity, guaranteed loan financing	−371	−1,360	−2,225	−9,806	−10,794	−11,166
Net activity, direct loan financing	787	4,443	3,015	12,726	16,382	17,169
Miscellaneous asset accounts	−3,701	463	−636	−1,386	2,779	−922
Total asset accounts	**−12,367**	**8,746**	**−22,250**	**72,914**	**94,027**	**81,660**
Excess of liabilities (+) or assets (−)	**+38,886**	**+132,780**	**+164,298**	**+3,422,045**	**+3,515,939**	**+3,554,825**
Transactions not applied to current year's surplus or deficit (see Schedule a for Details)	63	446	447	......	382	446
Total budget and off-budget federal entities (financing of deficit (+) or disposition of surplus (−))	**+38,950**	**+133,226**	**+164,745**	**+3,422,045**	**+3,516,321**	**+3,555,271**

[1]Outlays and deposit funds have been increased in September 1994 by $3 million and $8 million to reflect additional reporting by the Department of the Army and Department of the Navy, respectively.

[2]Major sources of information used to determine Treasury's operating cash income include Federal Reserve Banks, the Treasury Regional Finance Centers, the Internal Revenue Service Centers, the Bureau of the Public Debt and various electronic systems. Deposits are reflected as received and withdrawals are reflected as processed.

... No Transactions

(* *) Less than $500,000

Note: Details may not add to totals due to rounding

Table 6. Schedule A—Analysis of Change in Excess of Liabilities of the U.S. Government, May 1995 and Other Periods

[$ millions]

Classification	This Month	Fiscal Year to Date	
		This Year	Prior Year
Excess of liabilities beginning of period:			
Based on composition of unified budget in preceding period	3,515,945	3,422,146	3,218,965
Adjustments during current fiscal year for changes in composition of unified budget:			
Revisions by federal agencies to the prior budget results	-6	-101	526
Excess of liabilities beginning of period (current basis)	3,515,939	3,422,045	3,219,491
Budget surplus (-) or deficit:			
Based on composition of unified budget in prior fiscal yr	38,950	133,226	164,745
Changes in composition of unified budget	......	......	......
Total surplus (-) or deficit (Table 2)	38,950	133,226	164,745
Total-on-budget (Table 2)	41,554	176,133	201,547
Total-off-budget (Table 2)	-2,604	-42,907	-36,802
Transactions not applied to current year's surplus or deficit:			
Seigniorage	-63	-446	-447
Profit on sale of gold	(* *)	(* *)	(* *)
Total-transactions not applied to current year's Surplus or deficit	-63	-446	-447
Excess of liabilities close of period	**3,554,825**	**3,554,825**	**3,383,788**

Table 6. Schedule B—Securities Issued by Federal Agencies Under Special Financing Authorities, May 1995 and Other Periods

[$ millions]

Classification	Net Transactions (-) denotes net reduction of liability accounts			Account Balances Current Fiscal Year		
	This Month	Fiscal Year to Date		Beginning of		Close of This month
		This Year	Prior Year	This Year	This Month	
Agency securities, issued under special financing authorities:						
Obligations of the United States, issued by:						
Export-Import Bank of the United States	......	......	......	(* *)	(* *)	(* *)
Federal Deposit Insurance Corporation:						
FSLIC resolution fund	......	-32	-145	189	158	158
Obligations guaranteed by the United States, issued by:						
Department of Defense:						
Family housing mortgages	......	......	(* *)	6	6	6
Department of Housing and Urban Development:						
Federal Housing Administration	8	-34	-82	112	70	78
Department of the Interior:						
Bureau of Land Management	......	......	......	13	13	13
Department of Transportation:						
Federal Transit Administration	......	......	-547	......	......	......
Coast Guard:						
Family housing mortgages	......	......	......	(* *)	(* *)	(* *)
Obligations not guaranteed by the United States, issued by:						
Legislative Branch:						
Architect of the Capitol	1	[1]2	10	[1]184	184	185
Independent agencies:						
Farm Credit System Financial Assistance Corporation	......	......	......	1,261	1,261	1,261
National Archives and Records Administration	......	-2	......	298	296	296
Tennessee Valley Authority	192	-1,457	2,868	26,121	24,472	24,665
Total, agency securities	**201**	**-1,522**	**2,104**	**28,185**	**26,462**	**26,663**

[1]Outlays have been decreased in August 1994 by $9 million and in February 1995 by $9 million to reflect the redemption of agency securities not previously reported by the Architect of the Capitol.

... No Transactions.
(* *) Less than $500,000.
Note: Details may not add to totals due to rounding.

Table 6. Schedule C (Memorandum)—Federal Agency Borrowing Financed Through the Issue of Public Debt Securities, May 1995 and Other Periods

[$ millions]

Classification	Transactions			Account Balances Current Fiscal Year		
	This Month	Fiscal Year to Date		Beginning of		Close of This month
		This Year	Prior Year	This Year	This Month	
Borrowing from the Treasury:						
Funds Appropriated to the President:						
International Security Assistance:						
Foreign military loan program	......	337	405	413	750	750
Agency for International Development:						
International Debt Reduction	......	......	......	315	315	315
Housing and other credit guaranty programs	......	......	......	125	125	125
Private sector revolving fund	......	......	......	1	1	1
Overseas Private Investment Corporation	......	22	8	16	38	38
Department of Agriculture:						
Farm Service Agency:						
Federal crop insurance corporation fund	......	......	−113	......	......	......
Commodity Credit Corporation	−41	−7,570	−9,129	16,909	9,380	9,339
Agricultural credit insurance fund	......	−1,748	−1,225	4,028	2,280	2,280
Natural Resources Conservation Service	......	......	......	4	4	4
Rural Utilities Service:						
Rural electrification and telephone revolving fund	−35	688	237	8,193	8,916	8,881
Rural Telephone Bank	−1	84	−170	586	671	670
Rural development insurance fund	......	715	561	2,091	2,806	2,806
Rural communication development fund	......	......	......	25	25	25
Rural housing and Community Development Service:						
Rural housing insurance fund	......	1,192	2,134	4,497	5,689	5,689
Self-help housing land development fund	......	1	1	(* *)	1	1
Rural Business and Cooperative Development Service:						
Rural development loan fund	......	40	29	21	61	61
Rural economic development loan fund	......	8	10	19	27	27
Foreign Agricultural Service	......	97	385	583	680	680
Department of Education:						
Federal direct student loan program	......	4,868	......	433	5,302	5,302
Federal family education loan program	......	......	......	1,605	1,605	1,605
College housing and academic facilities fund	......	18	14	162	181	181
College housing loans	......	......	(* *)	411	411	411
Department of Energy:						
Isotope production and distribution fund	......	−14	......	14	......	......
Bonneville power administration fund	40	35	266	2,617	2,612	2,652
Department of Housing and Urban Development:						
Housing programs:						
Federal Housing Administration	......	−21	......	783	762	762
Housing for the ederly and handicapped	......	−770	−475	8,484	7,714	7,714
Public and Indian housing:						
Low-rent public housing	......	−135	25	135	......	......
Department of the Interior:						
Bureau of Reclamation Loans	2	2	6	11	11	13
Bureau of Mines, Helium Fund	......	......	......	252	252	252
Bureau of Indian Affairs:						
Revolving funds for loans	......	8	9	26	34	34
Department of Justice:						
Federal prison industries, incorporated	......	......	......	20	20	20
Department of Transportation:						
Federal Highway Administration:						
High priority quarters loan fund	......	21	......	......	21	21
Federal Railroad Administration:						
Railroad rehabilitation and improvement financing funds	......	(* *)	......	1	1	1
Amtrak corridor improvement loans	......	(* *)	......	2	3	3
Other	......	......	......	(* *)	(* *)	(* *)
Federal Aviation Administration:						
Aircraft purchase loan guarantee program	......	(* *)	(* *)	(* *)	(* *)	(* *)
Minority business resource center fund	......	14	8	13	27	27
Department of the Treasury:						
Federal Financing Bank revolving fund	−2,635	−16,618	−13,236	94,357	80,374	77,739
Department of Veterans Affairs:						
Guaranty and indemnity fund	......	586	612	181	767	767
Loan guaranty revolving fund	......	903	1,158	1,107	2,011	2,011
Direct loan revolving fund	......	(* *)	(* *)	1	1	1
Native american veteran housing fund	......	12	7	1	13	13
Vocational rehabilitation revolving fund	......	(* *)	1	2	2	2

Table 6. Schedule C (Memorandum)—Federal Agency Borrowing Financed Through the Issue of Public Debt Securities, May 1995 and Other Periods—Continued

[$ millions]

Classification	Transactions			Account Balances Current Fiscal Year		
	This Month	Fiscal Year to Date		Beginning of		Close of This month
		This Year	Prior Year	This Year	This Month	
Borrowing from the Treasury:—Continued						
Environmental Protection Agency:						
Abatement, control, and compliance loan program	......	11	10	26	37	37
Small Business Administration:						
Business loan and revolving fund	......	......	114	293	293	293
Disaster loan fund	......	......	2,350	6,996	6,996	6,996
Independent agencies:						
Export-Import Bank of the United States	......	30	811	2,632	2,662	2,662
Federal Emergency Management Agency:						
National insurance development fund	......	......	100	3	3	3
Disaster assistance loan fund	......	169	25	84	253	253
Pennsylvania Avenue Development Corporation:						
Land aquisition and development fund	......	......	9	85	85	85
Railroad Retirement Board:						
Rail industry pension fund	......	......	......	2,128	2,128	2,128
Social Security equivalent benefit account	−1	1,783	2,013	2,781	4,565	4,564
Smithsonian Institution:						
John F. Kennedy Center parking facilities	......	......	......	20	20	20
Tennessee Valley Authority	......	......	......	150	150	150
Total agency borrowing from the Treasury financed through public debt securities issued	**−2,670**	**−15,230**	**−13,042**	**163,642**	**151,082**	**148,412**
Borrowing from the Federal Financing Bank:						
Funds Appropriated to the President:						
Foreign military financing program	−17	−173	−164	3,785	3,629	3,612
Department of Agriculture:						
Farm Service Agency:						
Agriculture credit insurance fund	−1,010	−2,610	−910	6,063	4,463	3,453
Rural Utilities Service:						
Rural electrification and telephone revolving fund	14	−4	−235	21,916	21,898	21,912
Rural development insurance fund	......	......	......	3,675	3,675	3,675
Rural housing and Community Development Service:						
Rural housing insurance fund	......	−760	−585	24,391	23,631	23,631
Department of Defense:						
Department of the Navy	......	......	......	1,624	1,624	1,624
Defense agencies	......	−47	−49	−145	−192	−192
Department of Education:						
Federal family education loan program	......	......	−4,790	......	......	......
Department of Health and Human Services:						
Medical facilities guarantee and loan fund	......	−23	−6	63	40	40
Department of Housing and Urban Development:						
Low rent housing loans and other expenses	......	−58	−54	1,747	1,689	1,689
Community Development Grants	(* *)	−14	−16	110	96	96
Department of Interior:						
Territorial and international affairs	......	−1	−1	22	21	21
Department of Transportation:						
Federal Railroad Administration	(* *)	−4	−1	15	11	11
Federal Transit Administration	......	−665	488	665	......	......
Department of the Treasury:						
Financial Management Service	......	......	−30	......	......	......
General Services Administration:						
Federal buildings fund	1	113	249	1,780	1,891	1,893
Small Business Administration:						
Business loan fund	−35	−116	−57	581	500	465
Independent agencies:						
Export-Import Bank of the United States	......	−777	−948	3,926	3,150	3,150
Pennsylvania Avenue Development Corporation	11	79	67	250	317	328
Postal Service	−258	−1,358	−258	8,973	7,873	7,615
Resolution Trust Corporation	−1,340	−10,001	−4,285	26,519	17,858	16,518
Tennessee Valley Authority	......	−200	−1,650	3,400	3,200	3,200
Total borrowing from the Federal Financing Bank	**−2,635**	**−16,619**	**−13,237**	**109,360**	**95,375**	**92,741**

Note: This table includes lending by the Federal Financing Bank accomplished by the purchase of agency financial assets, by the acquisition of agency debt securities, and by direct loans on behalf of an agency. The Federal Financing Bank borrows from Treasury and issues its own securities and in turn may loan these funds to agencies in lieu of agencies borrowing directly through Treasury or issuing their own securities.

... No Transactions.
(* *) Less than $500,000
Note: Details may not add to totals due to rounding

Table 6. Schedule D—Investments of Federal Government Accounts in Federal Securities, May 1995 and Other Periods

[$ millions]

Classification	Net Purchases or Sales (−)			Securities Held as Investments Current Fiscal Year		
	This Month	Fiscal Year to Date		Beginning of		Close of This month
		This Year	Prior Year	This Year	This Month	
Federal funds:						
Department of Agriculture	(* *)	1	2	......	1	1
Department of Commerce	−1	3	3	13	17	16
Department of Defense—Military:						
Defense cooperation account	......	−4	−4	5	1	1
Department of Energy	55	474	458	4,527	4,946	5,001
Department of Housing and Urban Development:						
Housing programs:						
Federal housing administration fund	−740	−670	479	5,742	5,812	5,072
Government National Mortgage Association:						
Management and liquidating functions fund:						
Public debt securities	......	......	−9	......	......	......
Agency securities	......	......	−4	16	16	16
Guarantees of mortgage-backed securities:						
Public debt securities	38	323	316	3,713	3,998	4,036
Agency securities	......	......	(* *)	1	1	1
Other	......	−9	−6	193	184	184
Department of the Interior	106	687	479	2,722	3,303	3,409
Department of Labor	66	236	−11,770	5,330	5,499	5,566
Department of Transportation	−3	45	59	974	1,022	1,019
Department of the Treasury	−2,030	−6,417	962	7,452	3,066	1,036
Department of Veterans Affairs:						
Canteen service revolving fund	......	6	3	37	43	43
Veterans reopened insurance fund	−6	−7	−6	524	523	517
Servicemen's group life insurance fund	......	−38	−109	41	4	4
Independent agencies:						
Export-Import Bank of the United States	87	176	432	57	147	233
Federal Deposit Insurance Corporation:						
Bank insurance fund	331	5,233	6,432	13,972	18,875	19,206
Savings association insurance fund	26	550	535	2,493	3,017	3,042
FSLIC resolution fund	−347	−910	1,303	1,649	1,086	739
Federal Emergency Management Agency:						
National flood insurance fund	−33	−152	−71	200	81	48
National Credit Union Administration	29	244	248	3,052	3,267	3,296
Postal Service	679	3,116	2,051	1,271	3,708	4,387
Tennessee Valley Authority	−11	−2,712	502	3,954	1,253	1,242
Other	−7	197	83	1,017	1,221	1,214
Other	−57	239	189	2,626	2,922	2,865
Total public debt securities	−1,818	611	2,560	61,564	63,993	62,175
Total agency securities	......	......	−4	17	17	17
Total Federal funds	**−1,818**	**611**	**2,556**	**61,581**	**64,010**	**62,192**
Trust funds:						
Legislative Branch:						
Library of Congress	(* *)	9	3	4	12	13
United States Tax Court	(* *)	(* *)	(* *)	5	5	5
Other	(* *)	4	(* *)	27	31	31
The Judiciary:						
Judicial retirement funds	6	39	27	245	278	284
Department of Agriculture	2	18	195	273	289	291
Department of Commerce	(* *)	(* *)	(* *)	(* *)	(* *)	......
Department of Defense—Military:						
Voluntary separation incentive fund	(* *)	9	−30	763	772	772
Other	(* *)	−66	7	157	91	91
Department of Defense—Civil:						
Military retirement fund	3,445	12,515	13,169	105,367	114,437	117,882
Other	53	90	39	1,307	1,343	1,397

Table 6. Schedule D—Investments of Federal Government Accounts in Federal Securities, May 1995 and Other Periods—Continued

[$ millions]

Classification	Net Purchases or Sales (−) This Month	Fiscal Year to Date This Year	Fiscal Year to Date Prior Year	Securities Held as Investments Current Fiscal Year Beginning of This Year	Beginning of This Month	Close of This month
Trust Funds—Continued						
Department of Health and Human Services:						
Federal hospital insurance trust fund	−2,543	2,507	210	128,716	133,765	131,222
Federal supplementary medical insurance trust fund	−427	−1,041	92	21,489	20,875	20,448
Other	8	105	108	836	933	941
Department of the Interior	−40	70	30	234	344	304
Department of Justice	......	56	67	......	56	56
Department of Labor:						
Unemployment trust fund	9,017	7,331	3,040	39,788	38,102	47,119
Other	−15	−17	−17	59	57	42
Department of State:						
Foreign Service retirement and disability fund	−26	274	218	7,179	7,479	7,453
Other	......	−15	12	50	35	35
Department of Transportation:						
Highway trust fund	−457	1,463	−1,987	17,694	19,614	19,157
Airport and airway trust fund	150	−852	−489	12,206	11,205	11,354
Other	25	224	−87	1,683	1,881	1,907
Department of the Treasury	−26	−71	−23	247	202	176
Department of Veterans Affairs:						
General post fund, national homes	......	−1	(* *)	38	37	37
National service life insurance	−85	−104	−56	11,852	11,832	11,748
United States government life Insurance Fund	−2	−7	−7	115	110	108
Veterans special life insurance fund	−10	−3	4	1,509	1,516	1,506
Environmental Protection Agency	−62	633	495	6,250	6,945	6,883
National Aeronautics and Space Administration	(* *)	(* *)	1	16	16	16
Office of Personnel Management:						
Civil service retirement and disability fund	−2,033	−2,061	−1,219	338,889	338,861	336,828
Employees life insurance fund	339	713	925	14,929	15,303	15,642
Employees and retired employees health benefits fund	−68	237	622	7,573	7,878	7,810
Social Security Administration:						
Federal old-age and survivors insurance trust fund	878	17,722	37,353	413,425	430,268	431,146
Federal disability insurance trust fund	899	24,256	−2,301	6,100	29,457	30,356
Independent agencies:						
Harry S. Truman memorial scholarship trust fund	(* *)	1	1	53	54	54
Japan-United States Friendship Commission	(* *)	(* *)	(* *)	17	17	17
Railroad Retirement Board	164	735	−114	12,203	12,774	12,938
Other	4	131	102	226	353	357
Total public debt securities	9,201	64,903	50,389	1,151,523	1,207,226	1,216,427
Total trust funds	**9,201**	**64,903**	**50,389**	**1,151,523**	**1,207,226**	**1,216,427**
Grand total	**7,383**	**65,514**	**52,945**	**1,213,104**	**1,271,236**	**1,278,619**

... No Transactions
(* *) Less than $500,000.

Note: Investments are in public debt securities unless otherwise noted.
Note: Details may not add to totals due to rounding.

Table 7. Receipts and Outlays of the U.S. Government by Month, Fiscal Year 1995

[$ millions]

Classification	Oct.	Nov.	Dec.	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Fiscal Year To Date	Comparable Period Prior F.Y.
Receipts:														
Individual income taxes	43,659	37,414	53,736	79,162	33,863	26,846	76,441	29,729					380,850	346,426
Corporation income taxes	3,055	1,497	31,915	3,258	2,060	14,863	23,482	2,193					82,324	77,092
Social insurance taxes and contributions:														
Employment taxes and contributions	31,263	33,786	35,708	38,990	35,667	38,646	50,423	37,226					301,710	282,100
Unemployment insurance	1,073	3,249	230	1,069	2,630	320	3,061	10,601					22,233	21,089
Other retirement contributions	351	352	420	383	357	413	354	355					2,985	3,068
Excise taxes	4,272	5,518	4,587	4,555	3,485	5,143	4,602	4,770					36,933	34,948
Estate and gift taxes	1,202	1,220	1,092	1,005	916	1,218	1,906	1,339					9,898	10,603
Customs duties	1,848	1,827	1,747	1,539	1,435	1,470	1,349	1,471					12,686	12,769
Miscellaneous receipts	2,300	2,811	1,375	1,839	2,131	3,612	3,774	2,719					20,561	13,188
Total—Receipts this year	**89,024**	**87,673**	**130,810**	**131,801**	**82,544**	**92,532**	**165,392**	**90,405**					**870,180**	......
(On-budget)	**65,384**	**62,083**	**103,860**	**101,036**	**54,405**	**61,970**	**126,170**	**61,027**					**635,935**	......
(Off-budget)	**23,639**	**25,590**	**26,950**	**30,765**	**28,139**	**30,562**	**39,222**	**29,378**					**234,245**	......
Total—Receipts prior year	*78,662*	*83,102*	*125,403*	*122,961*	*73,186*	*93,107*	*141,321*	*83,541*					......	*801,283*
(On budget)	*55,858*	*58,695*	*99,709*	*94,390*	*47,191*	*64,611*	*104,306*	*55,361*					......	*580,121*
(Off budget)	*22,804*	*24,407*	*25,694*	*28,571*	*25,995*	*28,497*	*37,015*	*28,179*					......	*221,162*
Outlays														
Legislative Branch	354	217	333	222	174	166	178	191					1,833	1,751
The Judiciary	184	169	303	214	188	348	202	200					1,809	1,715
Executive Office of the President	18	17	26	21	15	16	18	15					145	142
Funds Appropriated to the President:														
International Security Assistance	3,255	310	271	203	101	213	221	227					4,802	5,580
International Development Assistance	726	367	443	471	427	327	575	296					3,632	2,837
Other	−381	452	18	94	133	−372	−749	498					−307	421
Department of Agriculture:														
Commodity Credit Corporation and Foreign Agricultural Service	1,760	2,983	1,869	1,115	745	966	244	−44					9,638	11,404
Other	5,839	3,850	3,637	4,191	3,521	4,547	3,960	4,155					33,700	32,092
Department of Commerce	305	300	304	308	262	291	227	287					2,284	1,977
Department of Defense:														
Military:														
Military personnel	3,713	5,701	8,203	3,280	5,914	8,404	3,138	5,826					44,178	46,605
Operation and maintenance	6,118	7,837	7,312	6,720	7,566	7,915	6,749	7,169					57,387	56,836
Procurement	4,254	4,754	4,727	4,984	4,715	4,744	4,399	3,288					35,867	41,050
Research, development, test, and evaluation	2,501	2,896	3,211	2,752	2,675	3,389	2,417	2,965					22,807	22,813
Military construction	425	537	436	575	505	719	514	564					4,275	2,967
Family housing	247	242	305	277	275	324	267	305					2,241	2,105
Revolving and management funds	147	−311	942	−757	−1,373	78	−251	990					−535	2,601
Other	275	−222	42	−284	21	−212	−405	10					−775	232
Total Military	17,680	21,435	25,178	17,548	20,298	25,361	16,828	21,117					165,447	175,209
Civil	2,638	2,656	2,553	2,592	2,542	2,674	2,592	2,621					20,870	20,073
Department of Education	1,949	2,322	3,888	2,764	2,593	2,691	1,974	2,406					20,587	15,316
Department of Energy	1,683	1,330	1,743	1,328	1,255	1,588	1,188	1,353					11,467	11,398
Department of Health and Human Services:														
Public Health Service	1,603	1,588	1,761	1,824	1,829	1,726	1,646	1,802					13,778	12,717
Health Care Financing Administration:														
Grants to States for Medicaid	6,622	7,545	7,321	7,215	6,694	8,448	7,239	7,637					58,722	54,083
Federal hospital ins. trust fund	7,834	8,942	9,757	8,630	8,838	11,171	8,680	10,394					74,245	66,779
Federal supp. med. ins. trust fund	4,799	5,290	5,837	5,014	4,712	5,987	4,527	5,701					41,867	38,165
Other	3,055	3,092	3,015	4,950	3,796	4,467	5,405	3,815					31,595	27,439
Administration for children and families	2,728	2,519	2,812	3,151	2,524	2,781	2,639	2,858					22,011	21,874
Other	−4,508	−4,490	−4,473	−6,540	−5,462	−6,021	−7,083	−5,415					−43,992	−38,429
Department of Housing and Urban Development	2,903	2,426	2,394	2,009	2,227	2,694	2,707	1,843					19,203	17,391
Department of the Interior	883	582	557	567	553	671	499	574					4,885	4,357
Department of Justice	908	818	749	1,094	730	915	920	774					6,908	6,645
Department of Labor:														
Unemployment trust fund	1,650	1,854	2,001	2,543	2,330	2,762	2,131	2,062					17,333	22,422
Other	702	−170	469	653	621	331	768	679					4,054	3,751
Department of State	488	841	664	201	488	411	371	335					3,799	3,664
Department of Transportation:														
Highway trust fund	1,797	1,765	1,418	1,183	1,351	1,307	1,245	1,810					11,876	11,196

Table 7. Receipts and Outlays of the U.S. Government by Month, Fiscal Year 1995—Continued

[$ millions]

Classification	Oct.	Nov.	Dec.	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Fiscal Year To Date	Comparable Period Prior F.Y.
Outlays—Continued														
Other	1,647	1,734	1,637	1,905	1,463	1,902	1,326	1,383					12,997	12,223
Department of the Treasury:														
Interest on the public debt	19,732	24,912	57,320	20,069	19,259	20,693	20,883	26,769					209,637	187,110
Other	34	−308	1,336	145	3,010	4,375	3,732	2,476					14,801	11,516
Department of Veterans Affairs:														
Compensation and pensions	105	1,457	2,824	81	1,492	2,894	93	1,518					10,464	11,396
National service life	64	70	83	71	79	106	94	81					650	590
United States government life	1	1	2	1	1	2	1	1					12	12
Other	1,528	1,784	1,344	1,827	1,429	1,614	1,640	1,584					12,750	11,971
Environmental Protection Agency	438	474	538	520	429	678	493	571					4,140	3,702
General Services Administration	−651	639	462	−717	431	544	−767	540					483	−82
National Aeronautics and Space Administration	845	1,143	1,203	926	1,072	1,284	1,028	1,245					8,744	8,899
Office of Personnel Management	3,410	3,118	3,460	3,324	3,337	3,556	3,548	3,431					27,184	25,273
Small Business Administration	65	145	64	58	64	77	53	55					580	414
Social Security Administration:														
Federal old-age and survivors ins. trust fund (off-budget)	23,413	23,368	23,810	24,392	24,220	24,310	24,495	24,525					192,534	184,321
Federal disability ins. trust fund (off-budget)	3,289	3,244	3,348	3,417	3,415	3,492	3,460	3,476					27,141	24,829
Other	287	2,157	4,079	78	2,201	4,255	126	2,219					15,402	16,245
Independent agencies:														
Fed. Deposit Ins. Corp.:														
Bank insurance fund	−127	−208	−496	−1,193	−1,977	−536	−305	−398					−5,242	−6,368
Savings association insurance fund	−2	−13	(* *)	−91	−361	−37	−15	−24					−544	−534
FSLIC resolution fund	−87	430	33	−149	331	−16	−14	416					943	−839
Affordable housing and bank enterprise	(* *)	......	1	1	......	1	(* *)	(* *)					3	3
Postal Service:														
Public enterprise funds (off-budget)	−467	−326	101	−396	−494	−1,268	−706	−602					−4,158	−1,957
Payment to the Postal Service fund	61	......	......	23	......	......	23	(* *)					107	107
Resolution Trust Corporation	−471	−1,502	−2,001	−1,078	−699	−348	−436	−1,024					−7,559	2,678
Tennessee Valley Authority	265	239	119	142	92	42	24	156					1,078	914
Other independent agencies	2,720	1,647	1,710	1,260	1,572	1,452	1,461	1,244					13,066	12,817
Undistributed offsetting receipts:														
Employer share, employee retirement	−2,442	−2,416	−2,564	−2,557	−2,491	−2,671	−2,554	−2,590					−20,285	−20,682
Interest received by trust funds	−611	−5,727	−38,216	−95	−634	−251	−596	−5,524					−51,654	−48,463
Rents and royalties on outer continental shelf lands	−154	−160	−106	−353	−197	−158	43	−366					−1,451	−2,040
Other	(* *)	(* *)	(* *)	......	......	......	−610	......					−610	(* *)
Totals this year:														
Total outlays	**120,365**	**124,915**	**134,941**	**115,171**	**120,527**	**142,458**	**115,673**	**129,355**					**1,003,406**	......
(On-budget)	**95,307**	**99,464**	**123,643**	**89,889**	**94,050**	**116,507**	**90,628**	**102,581**					**812,068**	......
(Off-budget)	**25,059**	**25,452**	**11,297**	**25,282**	**26,478**	**25,951**	**25,045**	**26,773**					**191,337**	......
Total-surplus (+) or deficit (−)	**−31,342**	**−37,242**	**−4,130**	**+16,629**	**−37,983**	**−49,927**	**+49,720**	**−38,950**					**−133,226**	......
(On-budget)	**−29,922**	**−37,381**	**−19,783**	**+11,147**	**−39,644**	**−54,537**	**+35,542**	**−41,554**					**−176,133**	......
(Off-budget)	**−1,420**	**+138**	**+15,653**	**+5,483**	**+1,661**	**+4,610**	**+14,178**	**+2,604**					**+42,907**	......
Total borrowing from the public	**32,457**	**40,528**	**−13,316**	**13,337**	**38,964**	**13,645**	**−27,638**	**44,740**					**142,717**	**145,790**
Total-outlays prior year	*124,085*	*121,483*	*133,108*	*107,713*	*114,752*	*125,422*	*123,867*	*115,597*					......	*966,028*
(On-budget)	*100,562*	*96,719*	*121,425*	*83,521*	*88,835*	*100,259*	*100,620*	*89,726*					......	*781,668*
(Off-budget)	*23,523*	*24,764*	*11,683*	*24,192*	*25,917*	*25,164*	*23,247*	*25,871*					......	*184,360*
Total-surplus (+) or deficit (−) prior year	*−45,422*	*−38,381*	*−7,705*	*+15,248*	*−41,566*	*−32,315*	*+17,454*	*−32,057*					......	*−164,745*
(On-budget)	*−44,704*	*−38,024*	*−21,717*	*+10,869*	*−41,644*	*−35,648*	*+3,686*	*−34,365*					......	*−201,547*
(Off-budget)	*−719*	*−357*	*+14,012*	*+4,379*	*+77*	*+3,333*	*+13,768*	*+2,308*					......	*+36,802*

... No transactions.
(* *) Less than $500,000.
Note: Details may not add to totals due to rounding.

Table 8. Trust Fund Impact on Budget Results and Investment Holdings as of May 31, 1995

[$ millions]

Classification	This Month			Fiscal Year to Date			Securities held as Investments Current Fiscal Year		
							Beginning of		Close of This Month
	Receipts	Outlays	Excess	Receipts	Outlays	Excess	This Year	This Month	
Trust receipts, outlays, and investments held:									
Airport	508	565	−57	3,907	4,793	−886	12,206	11,205	11,354
Black lung disability	53	47	5	415	382	33	......	......	......
Federal disability insurance	4,547	3,476	1,071	51,053	27,141	23,912	6,100	29,457	30,356
Federal employees life and health	......	−152	152	......	−947	947	22,503	23,181	23,452
Federal employees retirement	1,283	3,259	−1,976	24,069	25,750	−1,681	346,317	346,623	344,570
Federal hospital insurance	7,724	10,394	−2,670	75,607	74,245	1,363	128,716	133,765	131,222
Federal old-age and survivors insurance	25,457	24,525	932	207,371	192,534	14,837	413,425	430,268	431,146
Federal supplementary medical insurance	5,422	5,701	−278	41,719	41,867	−148	21,489	20,875	20,448
Highways	1,520	2,009	−489	15,320	14,225	1,095	17,694	19,614	19,157
Military advances	724	1,234	−510	8,105	8,721	−616	......	......	......
Railroad retirement	561	658	−97	3,622	5,269	−1,647	12,203	12,774	12,938
Military retirement	6,030	2,335	3,695	30,417	18,335	12,081	105,367	114,437	117,882
Unemployment	10,750	2,062	8,688	24,679	17,333	7,346	39,788	38,102	47,119
Veterans life insurance	25	114	−89	727	847	−119	13,477	13,458	13,362
All other trust	432	88	345	3,925	2,681	1,243	12,240	13,468	13,420
Total trust fund receipts and outlays and investments held from Table 6-D	**65,035**	**56,314**	**8,721**	**490,936**	**433,177**	**57,759**	**1,151,523**	**1,207,226**	**1,216,427**
Less: Interfund transactions	12,027	12,027	......	120,850	120,850	......			
Trust fund receipts and outlays on the basis of Tables 4 & 5	53,008	44,287	8,721	370,087	312,327	57,759			
Total Federal fund receipts and outlays	**39,949**	**87,620**	**−47,671**	**522,582**	**713,567**	**−190,985**			
Less: Interfund transactions	21	21	......	235	235	......			
Federal fund receipts and outlays on the basis of Table 4 & 5	39,928	87,599	−47,671	522,346	713,331	−190,985			
Less: offsetting proprietary receipts	2,531	2,531	......	22,253	22,253	......			
Net budget receipts & outlays	**90,405**	**129,355**	**−38,950**	**870,180**	**1,003,406**	**−133,226**			

...... No transactions.

Note: Interfund receipts and outlays are transactions between Federal funds and trust funds such as Federal payments and contributions, and interest and profits on investments in Federal securities. They have no net effect on overall budget receipts and outlays since the receipts side of such transactions is offset against bugdet outlays. In this table, Interfund receipts are shown as an adjustment to arrive at total receipts and outlays of trust funds respectively.

Note: Details may not add to totals due to rounding.

Table 9. Summary of Receipts by Source, and Outlays by Function of the U.S. Government, May 1995 and Other Periods

[$ millions]

Classification	This Month	Fiscal Year To Date	Comparable Period Prior Fiscal Year
RECEIPTS			
Individual income taxes	29,729	380,850	346,426
Corporation income taxes	2,193	82,324	77,092
Social insurance taxes and contributions:			
Employment taxes and contributions	37,226	301,710	282,100
Unemployment insurance	10,601	22,233	21,089
Other retirement contributions	355	2,985	3,068
Excise taxes	4,770	36,933	34,948
Estate and gift taxes	1,339	9,898	10,603
Customs	1,471	12,686	12,769
Miscellaneous	2,719	20,561	13,188
Total	**90,405**	**870,180**	**801,283**
NET OUTLAYS			
National defense	22,194	174,025	183,739
International affairs	1,282	11,757	12,462
General science, space, and technology	1,596	11,408	11,344
Energy	244	3,017	3,095
Natural resources and environment	1,820	15,788	14,564
Agriculture	236	11,138	13,884
Commerce and housing credit	−1,988	−14,864	−5,988
Transportation	3,154	24,720	23,115
Community and regional development	860	6,823	6,121
Education, training, employment and social services	4,205	34,771	28,572
Health	9,952	75,618	70,361
Medicare	14,390	102,905	93,297
Income security	20,633	151,969	149.848
Social Security	27,997	219,665	209,146
Veterans benefits and services	3,204	24,007	24,161
Administration of justice	1,129	10,438	10,141
General government	1,109	8,804	7,032
Interest	20,295	153,764	133,855
Undistributed offsetting receipts	−2,956	−22,347	−22,721
Total	**129,355**	**1,003,406**	**966,028**

Note: Details may not add to totals due to rounding.

Explanatory Notes

1. Flow of Data Into Monthly Treasury Statement

The Monthly Treasury Statement (MTS) is assembled from data in the central accounting system. The major sources of data include monthly accounting reports by Federal entities and disbursing officers, and daily reports from the Federal Reserve banks. These reports detail accounting transactions affecting receipts and outlays of the Federal Government and off-budget Federal entities, and their related effect on the assets and liabilities of the U.S. Government. Information is presented in the *MTS* on a modified cash basis.

2. Notes on Receipts

Receipts included in the report are classified into the following major categories: (1) budget receipts and (2) offsetting collections (also called applicable receipts). Budget receipts are collections from the public that result from the exercise of the Government's sovereign or governmental powers, excluding receipts offset against outlays. These collections, also called governmental receipts, consist mainly of tax receipts (including social insurance taxes), receipts from court fines, certain licenses, and deposits of earnings by the Federal Reserve System. Refunds of receipts are treated as deductions from gross receipts.

Offsetting collections are from other Government accounts or the public that are of a business-type or market-oriented nature. They are classified into two major categories: (1) offsetting collections credited to appropriations or fund accounts, and (2) offsetting receipts (i.e., amounts deposited in receipt accounts). Collections credited to appropriation or fund accounts normally can be used without appropriation action by Congress. These occur in two instances: (1) when authorized by law, amounts collected for materials or services are treated as reimbursements to appropriations and (2) in the three types of revolving funds (public enterprise, intragovernmental, and trust); collections are netted against spending, and outlays are reported as the net amount.

Offsetting receipts in receipt accounts cannot be used without being appropriated. They are subdivided into two categories: (1) proprietary receipts—these collections are from the public and they are offset against outlays by agency and by function, and (2) intragovernmental funds—these are payments into receipt accounts from Governmental appropriation or funds accounts. They finance operations within and between Government agencies and are credited with collections from other Government accounts. The transactions may be intrabudgetary when the payment and receipt both occur within the budget or from receipts from off-budget Federal entities in those cases where payment is made by a Federal entity whose budget authority and outlays are excluded from the budget totals.

Intrabudgetary transactions are subdivided into three categories: (1) interfund transactions, where the payments are from one fund group (either Federal funds or trust funds) to a receipt account in the other fund group; (2) Federal intrafund transactions, where the payments and receipts both occur within the Federal fund group; and (3) trust intrafund transactions, where the payments and receipts both occur within the trust fund group.

Offsetting receipts are generally deducted from budget authority and outlays by function, by subfunction, or by agency. There are four types of receipts, however, that are deducted from budget totals as undistributed offsetting receipts. They are: (1) agencies' payments (including payments by off-budget Federal entities) as employers into employees retirement funds, (2) interest received by trust funds, (3) rents and royalties on the Outer Continental Shelf lands, and (4) other interest (i.e., interest collected on Outer Continental Shelf money in deposit funds when such money is transferred into the budget).

3. Notes on Outlays

Outlays are generally accounted for on the basis of checks issued, electronic funds transferred, or cash payments made. Certain outlays do not require issuance of cash or checks. An example is charges made against appropriations for that part of employees' salaries withheld for taxes or savings bond allotments — these are counted as payments to the employee and credits for whatever purpose the money was withheld. Outlays are stated net of offsetting collections (including receipts of revolving and management funds) and of refunds. Interest on the public debt (public issues) is recognized on the accrual basis. Federal credit programs subject to the Federal Credit Reform Act of 1990 use the cash basis of accounting and are divided into two components. The portion of the credit activities that involve a cost to the Government (mainly subsidies) is included within the budget program accounts. The remaining portion of the credit activities are in non-budget financing accounts. Outlays of off-budget Federal entities are excluded by law from budget totals. However, they are shown separately and combined with the on-budget outlays to display total Federal outlays.

4. Processing

The data on payments and collections are reported by account symbol into the central accounting system. In turn, the data are extracted from this system for use in the preparation of the *MTS*.

There are two major checks which are conducted to assure the consistency of the data reported:

1. Verification of payment data. The monthly payment activity reported by Federal entities on their Statements of Transactions is compared to the payment activity of Federal entities as reported by disbursing officers.
2. Verification of collection data. Reported collections appearing on Statements of Transactions are compared to deposits as reported by Federal Reserve banks.

5. Other Sources of Information About Federal Government Financial Activities

- *A Glossary of Terms Used in the Federal Budget Process, January 1993* (Available from the U.S. General Accounting Office, P.O. Box 6015, Gaithersburg, Md. 20877). This glossary provides a basic reference document of standardized definitions of terms used by the Federal Government in the budgetmaking process.

- *Daily Treasury Statement* (Available from GPO, Washington, D.C. 20402, on a subscription basis only). *The Daily Treasury Statement* is published each working day of the Federal Government and provides data on the cash and debt operations of the Treasury.

- *Monthly Statement of the Public Debt of the United States* (Available from GPO, Washington, D.C. 20402 on a subscription basis only). This publication provides detailed information concerning the public debt.

- *Treasury Bulletin* (Available from GPO, Washington, D.C. 20402, by subscription or single copy). Quarterly. Contains a mix of narrative, tables, and charts on Treasury issues, Federal financial operations, international statistics, and special reports.

- *Budget of the United States Government, Fiscal Year 19 __* (Available from GPO, Washington, D.C. 20402). This publication is a single volume which provides budget information and contains:

  -*Appendix, The Budget of the United States Government, FY 19 __*
  -*The United States Budget in Brief, FY 19 __*
  -*Special Analyses*
  -*Historical Tables*
  -*Management of the United States Government*
  -*Major Policy Initiatives*

- *United States Government Annual Report and Appendix* (Available from Financial Management Service, U.S. Department of the Treasury, Washington, D.C. 20227). This annual report represents budgetary results at the summary level. The appendix presents the individual receipt and appropriation accounts at the detail level.

Scheduled Release

The release date for the June 1995 Statement will be 2:00 pm EST July 24, 1995.

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402 (202) 512-1800. The subscription price is $35.00 per year (domestic), $43.75 per year (foreign).
No single copies are sold.

The Monthly Treasury Statement is now available on the Department of Commerce's Economic Bulletin Board.
For information call (202)482-1986.

DEPARTMENT OF THE TREASURY

TREASURY NEWS

OFFICE OF PUBLIC AFFAIRS • 1500 PENNSYLVANIA AVENUE, N.W. • WASHINGTON, D.C. • 20220 • (202) 622-2960

FOR RELEASE AT 2:30 P.M.
June 21, 1995

CONTACT: Office of Financing
202/219-3350

TREASURY TO AUCTION 2-YEAR AND 5-YEAR NOTES
TOTALING $29,250 MILLION

The Treasury will auction $17,750 million of 2-year notes and $11,500 million of 5-year notes to refund $16,772 million of publicly-held securities maturing June 30, 1995, and to raise about $12,475 million new cash.

In addition to the public holdings, Federal Reserve Banks hold $1,392 million of the maturing securities for their own accounts, which may be refunded by issuing additional amounts of the new securities.

The maturing securities held by the public include $1,199 million held by Federal Reserve Banks as agents for foreign and international monetary authorities. Amounts bid for these accounts by Federal Reserve Banks will be added to the offering.

Both the 2-year and 5-year note auctions will be conducted in the single-price auction format. All competitive and non-competitive awards will be at the highest yield of accepted competitive tenders.

For both auctions, competitive yields must be expressed with three decimals, for example, 7.123 percent.

Tenders will be received at Federal Reserve Banks and Branches and at the Bureau of the Public Debt, Washington, D. C. This offering of Treasury securities is governed by the terms and conditions set forth in the Uniform Offering Circular (31 CFR Part 356) for the sale and issue by the Treasury to the public of marketable Treasury bills, notes, and bonds.

Details about each of the new securities are given in the attached offering highlights.

oOo

Attachment

RR-388

For press releases, speeches, public schedules and official biographies, call our 24-hour fax line at (202) 622-2040

HIGHLIGHTS OF TREASURY OFFERINGS TO THE PUBLIC OF 2-YEAR AND 5-YEAR NOTES TO BE ISSUED JUNE 30, 1995

June 21, 1995

<u>Offering Amount</u>	$17,750 million	$11,500 million
<u>Description of Offering</u>:		
Term and type of security	2-year notes	5-year notes
Series	AF-1997	M-2000
CUSIP number	912827 U3 4	912827 U4 2
Auction date	June 27, 1995	June 28, 1995
Issue date	June 30, 1995	June 30, 1995
Dated date	June 30, 1995	June 30, 1995
Maturity date	June 30, 1997	June 30, 2000
Interest rate	Determined based on the highest accepted bid	Determined based on the highest accepted bid
Yield	Determined at auction	Determined at auction
Interest payment dates	December 31 and June 30	December 31 and June 30
Minimum bid amount	$5,000	$1,000
Multiples	$1,000	$1,000
Accrued interest payable by investor	None	None
Premium or discount	Determined at auction	Determined at auction

<u>The following rules apply to all securities mentioned above</u>:

<u>Submission of Bids</u>:

Noncompetitive bids . . . Accepted in full up to $5,000,000 at the highest accepted yield

Competitive bids . . . . (1) Must be expressed as a yield with three decimals, e.g., 7.123%

(2) Net long position for each bidder must be reported when the sum of the total bid amount, at all yields, and the net long position is $2 billion or greater.

(3) Net long position must be determined as of one half-hour prior to the closing time for receipt of competitive tenders.

<u>Maximum Recognized Bid at a Single Yield</u> . . . 35% of public offering

<u>Maximum Award</u> . . . . 35% of public offering

<u>Receipt of Tenders</u>:

Noncompetitive tenders . Prior to 12:00 noon Eastern Daylight Saving time on auction day

Competitive tenders . . . Prior to 1:00 p.m. Eastern Daylight Saving time on auction day

<u>Payment Terms</u> . . . . Full payment with tender or by charge to a funds account at a Federal Reserve Bank on issue date

DEPARTMENT OF THE TREASURY

TREASURY NEWS

OFFICE OF PUBLIC AFFAIRS • 1500 PENNSYLVANIA AVENUE, N.W. • WASHINGTON, D.C. • 20220 • (202) 622-2960

For Release Upon Delivery
Expected at 10:00 A.M.
June 22, 1995

STATEMENT OF
MICHAEL B. THORNTON
DEPUTY TAX LEGISLATIVE COUNSEL (TAX LEGISLATION)
DEPARTMENT OF THE TREASURY
BEFORE THE
SUBCOMMITTEE ON OVERSIGHT
COMMITTEE ON WAYS AND MEANS
UNITED STATES HOUSE OF REPRESENTATIVES

Madame Chair and distinguished Members of the Subcommittee:

I am pleased to present the views of the Treasury Department on the Coal Industry Retiree Health Benefit Act of 1992 ("the Coal Act"), which was enacted as part of the Energy Policy Act of 1992, P.L. 102-486. In the letter of invitation, Chairman Johnson has requested that our testimony address: (1) the general effectiveness of the 1992 provisions; (2) the impact of premiums on small and reachback companies; (3) the methods and procedures for collecting premiums and penalties; and (4) whether Treasury has perceived a need to exercise discretion in enforcing premium collection because of the potential impact on some operators.

In testifying before the Committee on Ways and Means in September 1993, the Administration expressed its strong support for the goal under the Coal Act of ensuring adequate funding of retired miners' health benefits. We continue to strongly support this goal.

Background

The Coal Act requires that former employers of retired coal miners finance, in part, the health benefits that previously were negotiated for those miners and their families by the United Mine Workers of America ("UMWA"). Prior to the Coal Act, these benefits were provided for retired miners and their families either by the miner's individual employer or through one of two multiemployer funds -- the 1950 UMWA Health Benefit Fund (the "1950 Fund") or the 1974 UMWA Health Benefit Fund (the "1974 Fund"). Contributions to both Funds were required of signatories to the national wage agreements negotiated between the UMWA and the Bituminous Coal Operators Association, Inc. ("BCOA").

RR-389

Employers that were not signatories to the national wage agreement also contributed to the Funds under separate wage agreements negotiated with the UMWA.

The 1950 Fund covered miners who had retired as of December 31, 1975, and their beneficiaries. Miners who retired after 1975 generally received health benefits under the single plan of their former employer. However, if the employer went out of business or left the coal industry, the employer's retirees and their beneficiaries were covered by the 1974 Fund. As a result, all of the retirees and their beneficiaries covered under the 1974 Fund were "orphans" for whom no contributions were being made by their former employers. About half of the retirees and their beneficiaries in the 1950 Fund were orphans.

Beginning in the late 1980's, the Funds began to experience serious financial difficulties. As of March 31, 1992, the combined deficit of the Funds reached $140 million and was projected to grow dramatically if no changes were made. The deficit was precipitated by a number of factors, including medical inflation and the trustees' inability to impose certain kinds of containment mechanisms under the Funds. Moreover, the contribution base of the Funds was eroding. In the early 1980's, for example, approximately 2,000 employers contributed to the Funds. That number had fallen to about 300 in 1992.

In March 1990, as part of a compromise that helped settle the Pittston Coal Company strike, then-Secretary of Labor Elizabeth Dole announced the establishment of a special national Coal Commission to study the Funds. In its report, published in November 1990, the Coal Commission agreed that the problems of the Funds could not be solved through private bargaining alone. The Coal Commission recommended establishing a statutory obligation to contribute to the Funds. Although the Coal Commission was divided as to how this obligation should be implemented, there was general agreement that it should cover all then-current signatory employers (companies that had signed the 1988 collective bargaining agreement), as well as certain other signatory employers.

In response to the Coal Commission Report and growing concerns about the continued viability of the Funds and the security of retirees' benefits, Congress passed the Coal Act as part of the Energy Policy Act of 1992.

The Coal Act created two new benefit funds: (1) the UMWA Combined Benefit Fund (the "Combined Fund"), which services beneficiaries receiving health benefits from the 1950 and 1974 Funds as of July 20, 1992; and (2) the UMWA 1992 Benefit Plan (the "1992 Plan"), which services certain employees who retired between July 20, 1992, and September 30, 1994, and whose last signatory employer is not providing them with benefits.

Employees retiring after September 30, 1994, are not covered under the provisions of the Coal Act, but are dependent on the provisions of future bargaining agreements.

Under the Coal Act, any employer that signed a wage agreement with the UMWA since 1950 and has retirees who benefit under the Funds could be obligated to pay premiums for the health benefits of those retirees and their beneficiaries. In addition, employers are obligated to finance the health benefits of "orphans" in the Combined Fund whose former employers are no longer in business. Each employer's share of orphans is proportional to the number of the employer's retirees who receive health benefits under the Combined Fund. Generally, the allocation method assures that costs are shared by all employers that signed UMWA wage agreements providing for retiree health benefits.

In order to reduce premiums associated with orphan beneficiaries who could not be assigned to a particular employer, the Coal Act authorized three annual transfers of $70 million each from the excess assets of the UMWA 1950 pension plan. Beginning October 1, 1995, annual transfers of up to $70 million will come from the interest earnings of the Abandoned Mine Land Reclamation Fund ("AML fund") to cover the costs of orphans.[1] The AML fund is financed by fees assessed on all coal mining companies.[2]

Because beneficiaries were not yet assigned to signatory operators during the first plan year of the Combined Fund,[3] transition rules provided for the 1988 signatories to make contributions to the Combined Fund to finance benefits and administration costs that were not covered by the $70 million transferred from the 1950 Pension Fund. The 1988 signatories receive a credit for these initial contributions against

---

[1] To the extent that interest earned on the AML fund falls short of $70 million in any year, the difference is made up out of the interest accumulated during the FY 1993-95 period (about $122 million). In FY 1996, interest earnings on the AML fund are expected to be about $57 million.

[2] The Abandoned Mine Reclamation Fees are levied at the lesser of (a) 35 cents per ton for surface-mined coal and 15 cents per ton for underground-mined coal, or (b) 10 percent of the value of the coal at the mine. For lignite, the rate is the lesser of 10 cents per ton, or 2 percent of the value of the coal at the mine.

[3] The first plan year was a short one, running from February 1, 1993, to September 30, 1993.

subsequent premiums. The 1988 signatories also were required to make transition payments to cover the combined net deficits held by the merged 1950 and 1974 Benefit Plans.

Under the Coal Act, responsibilities for administering the Combined Fund[4] are divided among three separate entities, as described below:

(i) The Social Security Administration (SSA) -- The SSA is responsible for assigning each coal industry retiree receiving benefits to a former employer or related party. The SSA also calculates the annual per-beneficiary premium charged to each former employer. Following the assignment of beneficiaries to employers, the SSA is responsible for informing the former employer and the trustees of the Combined Fund of the assignments. Finally, the SSA is responsible for reviewing appeals raised by employers regarding the assignments of retirees, and reassigning the retirees when appropriate.

(ii) Trustees of the Combined Fund -- As established by the Coal Act under section 9702 of the Internal Revenue Code, the Combined Fund is a private multi-employer plan.[5] The Coal Act provided for a Board of Trustees[6] who were required, among other duties, to establish the Combined Fund, to determine benefits to be paid from the Combined Fund, to establish and maintain accounts of the premiums that are required to be paid to the Combined Fund, to collect the premiums, and to provide information to the SSA, as necessary for carrying out the SSA's duties under the Coal Act.

---

[4] The provisions for the 1992 Fund were not developed in as much detail. Responsibility was given to the settlors (the UMWA and BCOA) to work out many of the specific provisions.

[5] The Coal Act provides that the Combined Fund is a plan described in section 302(c)(5) of the Labor Management Relations Act of 1947 (LMRA), an employee welfare benefit plan within the meaning of section 3(1) of the Employee Retirement Income Security Act of 1974 (ERISA), and a mulitemployer plan within the meaning of section 3(37) of ERISA. Both LMRA and ERISA are administered by agencies in the U.S. Department of Labor.

[6] Section 9702(b) of the Internal Revenue Code provides for the appointment of a board of seven trustees. One trustee is designated by the BCOA to represent employers in the coal mining industry; one trustee is designated by the three reachback companies with the greatest number of eligible employees; and two trustees are designated by the UMWA. These four trustees select the other three.

(iii) Department of the Treasury -- Section 9707 of the Internal Revenue Code imposes a penalty upon an assigned operator for failure to pay a required premium. The statute treats the penalty as an internal revenue tax, and thus the IRS, as part of its general tax administration duties, is responsible for collecting the penalty.

<u>Discussion</u>

1. The Effectiveness of the 1992 Provisions

The principal goal of the 1992 provisions was to ensure that benefits promised to retired union miners and their families continue to be paid without interruption. The 1992 provisions appear to have been effective in achieving this goal.

The Combined Fund appears to be in sound financial condition currently, although its future financial status is unclear. According to recent GAO analysis, the Combined Fund reported a surplus of $114.8 million as of September 30, 1994, but future annual surpluses may not occur, and annual deficits may erode the current surplus over time. Given this uncertain financial outlook, the Administration would be troubled by any modifications to the Coal Act that would diminish the security of the Fund.

It appears that the Coal Act also has been effective in ensuring collection of the required premiums. According to representatives of the Combined Fund, approximately 91 percent of the assessed premiums have been paid.[7]

While it appears that the Coal Act has been effective to date, we are aware that concerns about its operation and effectiveness persist. We would be happy to work with the Subcommittee to address such concerns in a manner that will not compromise the security of the funds or otherwise risk interrupting health benefits for retired miners and their beneficiaries.

---

[7] According to representatives of the Combined Fund, its collection program is designed to resolve all the delinquencies, either through collection or uncollectibility determinations, after weighing the time and expense involved in the investigations and the likelihood of successful recovery.

2. Impact of the Premiums

It is difficult, if not impossible, to isolate the effects of the Coal Act on the coal industry as a whole or on certain categories of companies within the coal industry. The health of the coal-mining industry primarily reflects dynamic factors that are largely independent of the impact of the premiums -- factors such as productivity improvements, price changes and structural shifts.

The coal industry has seen substantial growth in consumption and productivity in recent years. This growth has been accompanied by a shift to western coal, largely due to the higher productivity of long-wall mining and western coal's lower sulphur content. Lower-cost western coal and improved productivity have resulted in declining real coal prices since the mid-1970's.

Technological improvements in mining operations and a shift away from underground mining in the East to less labor-intensive surface mining in the West allowed labor productivity to increase much more rapidly than for most other U.S. industries. Over the period from 1980 to 1992, output per hour of work in coal mining increased at an average rate of 6.65 percent, whereas output per hour of work in all forms of nonfarm business increased at an average annual rate of 1.16 percent. The number of production workers in coal mining fell from 204,000 in 1980 to 101,000 in 1992, while production increased from 830 million tons in 1980 to 998 million tons in 1992. These changes also involved a reduction in the number of operating mines and mining companies. Improvement in mining productivity has placed financial pressure on eastern mines that have not managed sufficient productivity increases.

We are aware that concerns have been expressed that provisions of the Coal Act may have contributed to financial hardship for certain small companies. Legislative proposals have been introduced to provide relief under the Coal Act. The Administration would be concerned, however, about proposals that provide relief without reference to specific financial hardship. These types of proposals could unnecessarily exacerbate the burden of financing retirement health benefits, by imposing an even greater burden on other companies that are not eligible for the relief, but that might be in worse financial condition. In particular, any relief provisions based solely on a company's size or status as a reachback company, which does not necessarily reflect its financial condition, could weaken the Combined Fund and threaten the benefits of the retirees and their families.

3. Methods and Procedures for Collecting Premiums and Penalties

As noted above, premiums under the Coal Act are assessed and collected through the efforts of the trustees of the Combined Fund, based on assignments made by the Social Security Administration. In addition, the Coal Act imposes a penalty for delinquent premium payments. Pursuant to the Coal Act, this penalty is treated in the same manner as an internal revenue tax. Consequently, the Internal Revenue Service, as part of its general authority to assess and collect taxes and penalties, has jurisdiction over the collection of the penalty.

Because operators have the ability to appeal the assignment by the SSA, reliable information regarding liability for premiums currently is not immediately available following the annual billing.[8] In addition, assessment of the penalty prior to collection action with respect to the premiums by the Combined Fund would reduce funds available for providing benefits to retired miners and their families.[9] Moreover, in some cases the resources required for collecting the penalties may exceed the reasonable expectations of collection, given the financial condition of an operator.

Because it would be premature to attempt to assess penalties before the completion of collection efforts by the Combined Fund, the IRS has not assessed penalties to date. However, representatives of the IRS have met with the Combined Fund regarding the coordination of their collection efforts with the implementation of the penalty. In its testimony this morning, the IRS will address these matters in detail.

4. Exercise of Discretion in Enforcing Premium and Penalty Collection

The trustees of the Combined Fund are responsible for collecting premiums, and they are restricted by their fiduciary duty to the fund from waiving collection of premiums. To maximize the return to the fund, it appears that the trustees could take collection and litigation risks into consideration, as well as the fact that any penalties collected by the IRS would be paid to the government rather than to the Combined Fund.

---

[8] Under section 9706(f)(5) of the Internal Revenue Code, an assigned operator is required to pay premiums pending review by the SSA. If the retirees are reassigned, the operator is allowed a credit against premiums for other retirees.

[9] Penalties for nonpayment of premiums are paid to the government rather than the Combined Fund.

The IRS is responsible for assessing any penalties for noncompliance. The Coal Act provides for two types of penalties for failure to make required contributions:

(i) Penalty for Delinquent Contributions of Transition-Year Payments. As described above, the Coal Act required 1988 signatory employers to make initial contributions for the Combined Fund's first short year (February 1, 1993, to September 30, 1993). Under section 9704(i)(1)(C) of the Internal Revenue Code, the penalty for failure to make these initial contributions is nondeductibility of contributions to the Combined Fund, until such time as the failure is corrected. No discretion is provided to waive this penalty, nor would any such discretion appear necessary or appropriate, since the penalty terminates once the taxpayer makes the required contribution.

(ii) Penalty for Delinquent Premium Payments. The penalty for failure to pay a required premium is $100 per day per beneficiary, for the period commencing on the due date for the required premium or installment, and ending on the date of payment of the premium or installment. The penalty is not imposed if it is established to the satisfaction of the Secretary of the Treasury that none of the persons responsible for the failure knew, or exercising due diligence, would have known that the failure existed. In addition, the penalty is not imposed if the failure was due to reasonable cause and not to willful neglect and the failure is corrected within 30 days after any of the persons responsible for the failure knew or should have known that the failure existed. Moreover, if the failure is due to reasonable cause and not to willful neglect, the Secretary of the Treasury has authority to waive all or part of the penalty to the extent that he determines that payment of the penalty would be excessive relative to the failure involved.

Under these provisions, the Treasury Department is limited in its ability to waive the penalty for delinquent premiums. In particular, this standard for relief generally does not allow for the waiver of penalties for nonpayment based solely on the financial hardship of the taxpayer.[10]

Because, as noted above, the IRS has not yet attempted to assess the penalty for delinquent premiums, the IRS's limited ability to waive the penalty has not yet created problems.

---

[10] The IRS has general authority to compromise a full tax liability, including interest and penalties, through an offer in compromise, where it is determined that the tax is uncollectible and the offer in compromise is in the best interests of both the taxpayer and the government.

Nonetheless, we are concerned that the $100 per-day, per-beneficiary penalty for delinquent premiums may be excessive. The first month's penalty alone (from $2800 to $3100) would exceed the annual premium (about $2350 for FY 1995).

As a general policy matter, this level of penalty raises questions in light of the relative level of premiums to which the penalty applies. Moreover, collection of the penalty may act at cross purposes to the goals of the Coal Act. Enforcing the penalty could adversely affect certain taxpayers' financial conditions, which in turn could jeopardize the payment of future premiums and result in reduced contributions to the Combined Fund, contrary to the goals of the Coal Act.

For these reasons, a revised penalty structure may, in certain instances, provide a better enforcement tool. In this regard, if the current penalty structure is retained, it may be desirable to consider granting additional discretion to the Secretary of the Treasury to waive or reduce the penalty for delinquent premiums in certain cases. In addition, we would be willing to work with the Congress to explore means of restructuring the penalty provision to limit the aggregate penalty while still providing an adequate incentive for prompt payment of premiums.

Conclusion

The Administration believes that the Coal Act has been effective in achieving its goal of ensuring uninterrupted health benefits for retired union miners. We continue to believe that the Coal Act was a reasonable solution to a difficult problem.

With respect to the enforcement provisions, we recognize that under current law the penalty for delinquent premiums may, in certain circumstances, become excessive relative to the required premium. We are willing to work with the Congress to address this and other concerns in a manner that would preserve the security of the Fund and the uninterrupted provision of health benefits to retired miners and their families.

IN ADVANCE OF PRINTED COPY. FILED: 06/21/95 4:57 P.M.

PUBLICATION DATE: 06/26/95

DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

CHANGES TO THE LIST OF SPECIALLY DESIGNATED NATIONALS OF CUBA

AGENCY: Office of Foreign Assets Control, Treasury

ACTION: Notice of Additions and Deletions to the List of Blocked Persons and Specially Designated Nationals

---

SUMMARY: The Treasury Department is designating four entities as specially designated nationals of Cuba and adding these entities to the List of Blocked Persons and Specially Designated Nationals. In addition, the Treasury Department is removing an entity previously designated from the list.

EFFECTIVE DATE: [Insert date of filing for public inspection]

FOR FURTHER INFORMATION: J. Robert McBrien, Chief, International Programs, Tel.: (202) 622-2420; Office of Foreign Assets Control, Department of the Treasury, 1500 Pennsylvania Ave., N.W., Washington, DC 20220.

SUPPLEMENTARY INFORMATION:

Electronic Availability

This document is available as an electronic file on *The Federal Bulletin Board* the day of publication in the **Federal Register.** By modem dial 202/512-1387 and type "/GO/FAC" or call for disks or paper copies. This file is available in Postscript, WordPerfect 5.1 and ASCII formats.

Background

The Office of Foreign Assets Control ("FAC") is designating four entities as Specially Designated Nationals of Cuba and adding these entities to the List of Blocked Persons and Specially Designated Nationals and removing one entity from the list that was previously designated.

The Director of FAC has determined that the designated entities are owned or controlled by or act or purport to act directly or indirectly on behalf of the Government of Cuba and, therefore, pursuant to § 515.306 of the Cuban Assets Control Regulations, 31 CFR part 515 (the "Regulations"), are subject to the prohibitions applicable to the Government of Cuba. All unlicensed transactions with these entities or transactions in property in which they have an interest are prohibited unless otherwise exempted or generally licensed in the Regulations.

Determinations that persons are Specially Designated Nationals of Cuba are effective upon the date of determination by the Director of FAC, acting under authority delegated by the Secretary of the Treasury. Public Notice of such a determination is effective upon the date of **Federal Register** publication or upon earlier actual notice.

The List of Blocked Persons and Specially Designated Nationals is not definitive or all-inclusive, and new **Federal Register** notices with regard to specially designated nationals or blocked persons may be published at any time. The absence of any particular person from the list is not to be construed as evidence that the person is not a component agency of a government subject to sanctions; or organized or located in a country subject to economic sanctions; or owned and controlled by persons that are organized or located in, or are nationals of, a country subject to economic sanctions; or owned or controlled by, or acting or purporting to act directly or indirectly on behalf of, the government of a country subject to economic sanctions. The Treasury Department regards it as incumbent upon all U.S. persons or persons subject to U.S. jurisdiction, depending upon the sanctions program, to take reasonable steps to ascertain for themselves whether persons with whom they enter into transactions fall into one of these categories.

Users are advised to check the **Federal Register** and **The Federal Bulletin Board** routinely for additional names or other changes to the list. Entities and individuals on the list are occasionally licensed by the Office of Foreign Assets Control to transact business with U.S. persons or persons subject to U.S. jurisdiction in anticipation of removal from the list or because of foreign policy considerations in unique circumstances. Current information on licenses issued with regard to blocked persons or specially designated nationals may be obtained by calling the Office of Foreign Assets Control, Licensing Division (202/622-2480).

The following name is removed from the List of Specially Designated Nationals and Blocked Persons and is no longer considered a specially designated national of Cuba:

COMPAGNIA MERCANTILE INTERNAZIONALE (a.k.a. COMEI SPA), Milan, Italy.

The following names are added to the List of Specially Designated Nationals and Blocked Persons as specially designated nationals of Cuba:

COBALT REFINERY CO. INC., Fort Saskatchewan, AB, Canada.
INTERNATIONAL COBALT CO. INC., Fort Saskatchewan, AB, Canada.

LA COMPANIA GENERAL DE NIQUEL (a.k.a. GENERAL NICKEL SA), Cuba.

MOA NICKEL SA, Cuba.

Dated: June 7, 1995

R. Richard Newcomb,

Director, Office of Foreign Assets Control

Approved: June 19, 1995

John P. Simpson,

Deputy Assistant Secretary

(Regulatory, Tariff and Trade Enforcement)

[FR Doc. 95-_____ Filed 06-__-95: _:__am]

BILLING CODE 4810-25-P

AUCTION RESULTS

PUBLIC DEBT NEWS

Department of the Treasury • Bureau of the Public Debt • Washington, DC 20239

FOR IMMEDIATE RELEASE
June 22, 1995

CONTACT: Office of Financing
202-219-3350

RESULTS OF TREASURY'S AUCTION OF 52-WEEK BILLS

Tenders for $18,292 million of 52-week bills to be issued June 29, 1995 and to mature June 27, 1996 were accepted today (CUSIP: 912794Z56).

RANGE OF ACCEPTED
COMPETITIVE BIDS:

	Discount Rate	Investment Rate	Price
Low	5.20%	5.50%	94.742
High	5.23%	5.54%	94.712
Average	5.22%	5.53%	94.722

Tenders at the high discount rate were allotted 65%.
The investment rate is the equivalent coupon-issue yield.

TENDERS RECEIVED AND ACCEPTED (in thousands)

	Received	Accepted
TOTALS	$41,807,162	$18,292,192
Type		
Competitive	$36,100,250	$12,585,280
Noncompetitive	886,912	886,912
Subtotal, Public	$36,987,162	$13,472,192
Federal Reserve	4,300,000	4,300,000
Foreign Official Institutions	520,000	520,000
TOTALS	$41,807,162	$18,292,192

An additional $1,007,500 thousand of bills will be issued to foreign official institutions for new cash.

5.21--94.732

RR-390

LIBRARY ROOM 5310
JUL 3 5 0 0 0 1 9 9
DEPT. OF THE TREASURY

White House Conference on Small Business

June 13, 1995

Treasury Department Initiatives

THE DEPARTMENT OF THE TREASURY
1789

WHITE HOUSE CONFERENCE ON SMALL BUSINESS

DEPARTMENT OF THE TREASURY
SMALL BUSINESS INITIATIVES

PRO-BUSINESS

LEGISLATIVE ACTION

- **Incentives to invest in small businesses:** In 1993, Congress passed a provision proposed by the Administration to exempt 50 percent of the capital gains from the sale of small business stock. This preferential rate was designed to increase capital flow to small businesses by reducing the effective tax rate on qualified investments to no more than 14 percent (28 percent applicable rate times 50 percent exclusion). The Administration also supported the enactment of Section 1044, which encourages investment in small businesses by allowing taxpayers to postpone gain recognition from the sale of publicly traded securities if the gain is invested in specialized small business investment companies.

- **Increasing the expensing limit:** In 1993, the Administration also proposed to increase the amount of capital investment that small businesses can expense from $10,000 to $25,000 (as ultimately passed by Congress, the limit was increased to $17,500). This increase allows small businesses to deduct the cost of investment immediately, rather than over the recovery life of the acquired assets. It encourages small businesses to invest in new technologies and capital assets and simplifies tax reporting for eligible small businesses.

- **Health insurance deduction for self-employed made permanent:** This year, the President signed a bill to extend the health insurance deduction permanently for self-employed individuals, and to increase the deduction from 25 percent to 30 percent. This extension and increase more closely conforms the tax treatment of self-employed individuals to the treatment of other employers and employees. It helps make health insurance more affordable for self-employed persons.

REGULATORY ACTION

The IRS and the Office of Tax Policy are taking steps to ensure that tax regulations are as simple and understandable as possible. This approach aims to reduce taxpayer burden and enhance voluntary compliance with the tax laws.

- **Simpler depreciation:** New regulations simplify the computation of depreciation by allowing taxpayers to elect to group assets into one or more general asset accounts which can be depreciated as a single asset. As a result, taxpayers who choose to do so are relieved of the burden of tracking individual assets. These regulations are especially useful to small businesses that do not have sophisticated accounting systems to track large numbers of depreciable assets.

- **"Check the Box":** The IRS and Treasury have now proposed that unincorporated businesses, many of which are small businesses, be allowed to elect to be treated as either a partnership or corporation by simply checking a box on their tax return. This simplified approach would replace the current rules.

  In addition, during the past two years, the IRS has published rulings classifying limited liability companies (LLCs) formed under the laws of various states as partnerships. These rulings assist small businesses by providing them with assurance that entities formed as LLCs in these states can in fact be taxed as partnerships. Rulings have been published for Nevada, Delaware, Illinois, West Virginia, Utah, Oklahoma, Alabama, Kansas, and Connecticut.

- **S Corporation relief:** Previously, many S corporations were concerned about their ability to conduct joint business with other parties, including corporations and nonresident aliens. In 1994, the IRS revised the rules to eliminate these concerns.

  Also in 1994, the IRS issued relief procedures for S corporations that have inadvertently terminated their S elections. These procedures will allow S corporations to have their elections reinstated retroactively. A simplified procedure allows S corporations to file certain information with an IRS Service Center, rather than going through the more complicated and expensive process of obtaining a formal private letter ruling, as was previously required.

  In addition, a corporation purchasing the stock of another corporation can generally elect to have the target corporation taxed as if it sold all its assets and distributed the proceeds in complete liquidation to a new corporation. A recent regulation extended the availability of this potentially beneficial election to cases where the target corporation is an S corporation. Hence, the regulation grants S corporations, many of which are small business corporations, the same business and tax flexibility in this regard as is accorded C corporations.

- **Partnership relief:** In 1994, the IRS issued relief to partnerships that are inadvertently terminated for tax purposes due to a sale of more than half of the interests in the partnership in a single year. In certain cases, partners in these partnerships would be taxed when such a termination occurs. The relief measure eliminates this possibility. The measure principally benefits smaller partnerships that may lack access to sophisticated tax advice.

- **Elimination of an unnecessary reporting requirement:** Previously, regulations had provided that any taxpayer claiming an ordinary loss, rather than a capital loss, on the sale of stock in a "small business corporation" had to file a statement with the taxpayer's income tax return containing information supporting the loss. Under those regulations, the IRS had been denying ordinary loss treatment if the taxpayer failed to file the statement with the income tax return. The Tax Court upheld this position in several cases. Nevertheless, new regulations were issued in 1995 that eliminated the information statement requirement as unnecessary. The regulations are effective for open taxable years beginning after December 31, 1953.

- **Inventory capitalization relief:** In 1993 and 1994 the IRS issued regulations on the capitalization of costs in inventory under the "uniform capitalization" rules. The regulations contain several small business relief measures. For example, the regulations provide a special de minimis rule for producers of property with total indirect costs of $200,000 or less. The producer can treat additional capitalizable costs under the "simplified production method" as zero. The regulations also provide that a small reseller is not required to capitalize costs of de minimis production activities. Finally, the regulations provide that certain eligible taxpayers (generally those with under $10 million in gross receipts for the 3 prior tax years) may elect to use an external interest rate (the "Applicable Federal Rate") instead of computing a weighted average actual interest rate.

- **Relief from mark-to-market rules:** In 1994, Treasury published regulations exempting certain taxpayers (mostly small financial institutions) from the mark-to-market regime and provided a de minimis rule for small businesses.

- **Relief from hedging requirements:** In 1994, the IRS and Treasury issued regulations providing that certain small businesses are exempt from the timing rules governing gains and losses from hedging, even while extending to taxpayers the benefit of the favorable character provisions of those rules.

- **Implementation of a simpler W-4 system:** In December 1994, regulations were issued implementing an electronic means for businesses to manage Form W-4 reporting by their employees. All employees are required to furnish employers with a signed withholding exemption certificate (Form W-4) when beginning employment. In addition, a new Form W-4 must be used to make any changes to the number of withholding allowances claimed. Previously, all Forms W-4 were prepared and filed on a paper certificate. The new regulations allow employers to establish systems enabling employees to make changes to their initial withholding certificate electronically. Electronic systems for filing Forms W-4 lighten the regulatory burden on employers through a reduction of errors (and a reduction in resources devoted to correcting those errors) and the elimination of duplicate entry of data.

ADMINISTRATIVE ACTION

- **Small Business Affairs Office:** In March of 1994, the Commissioner of Internal Revenue established the IRS Office of Small Business Affairs to serve as the national IRS contact with small businesses, to recommend changes to regulations and administrative practices that cause undue burden or inequity, and to address issues crossing industry and agency lines. During 1994, this office worked extensively with other federal agencies on the Small Business Forum on Regulatory Reform co-sponsored by the Small Business Administration and OMB's Office of Information and Regulatory Affairs (the "SBA/OIRA Forum").

- **Increased access to the regulatory process:** In response to comments received from small business participants in the SBA/OIRA Forum, the IRS took steps to increase access to the tax regulatory process:

  - **"Plain language" summaries:** Beginning in 1995, the IRS will prepare a brief summary of each IRS regulation for persons without tax expertise. The summary will describe in lay terms the scope, purpose, and general substance of the regulation. The summary will be made available to the general public through electronic bulletin boards and other readily-accessible media.

  - **On-line access:** In December 1994, the IRS established the capability to provide enhanced access to the IRS regulatory process through FedWorld, an on-line service accessible via modem or through the Internet. The IRS is now considering the creation of a regulatory docket system that would provide information about regulatory projects and possibly allow for electronic filing of comments on regulations. The IRS is also working with the SBA to develop a multi-agency approach to on-line information services.

  - **Longer comment periods:** The IRS currently subjects all of its regulatory rulemaking to a notice and comment process. In response to comments received in the SBA/OIRA forum, the IRS decided to extend the normal comment period from 60 to 90 days to give taxpayers more time to comment on proposed regulations.

- **Task force on burden reduction:** In March 1995, the IRS formed a task force to review systematically its recordkeeping and reporting requirements. The IRS Office of Small Business Affairs is playing a key role in this project. The task force is reviewing all IRS business forms, publications, and regulatory requirements in search of ways to reduce burden associated with recordkeeping and reporting.

- **Small business grassroots meetings:** In April 1995, Commissioner Richardson and other IRS representatives conducted a series of five "town meetings" to study the impact of tax requirements on small business taxpayers. Small business participants made numerous thoughtful suggestions for improvement. The IRS is now in the process of developing an action plan for addressing them. Overall, the IRS identified a need to open new lines of communication with small business owners and concluded that its educational programs need substantial modification to suit small business needs better. The IRS is continuing these dialogues.

- **Form simplification:** Since tax forms, instructions, and publications serve as the principal means of communicating tax rules and policy to the public, simplifying these items can be the most effective way of reducing government burden on many individuals and small businesses. In the past 2 years, the IRS has simplified over fifteen major tax forms. These improvements have affected over 134 million taxpayers and have reduced the cumulative reporting burden by more than 46 million hours.

  The latest form to be simplified is the Form 2106-EZ -- new for the 1995 filing season -- which can be used by an estimated 3 million employees who deduct business expenses but who want merely to claim the standard mileage rate for using their vehicles. The new EZ form is only 12 lines long, fewer than one-third the number of lines on the full form.

  In addition, a new Schedule C-EZ, Net Profit from Business, allows filers to use only three lines to compute their net profit, rather than the 36 lines necessary on the full Schedule C. In the 1994 filing season, approximately 1.8 million taxpayers were able to take advantage of this simplified form.

- **Simplified Tax and Wage Reporting System:** The IRS is working on a Treasury-managed project designed to reduce tax and wage reporting burdens on employers by (1) simplifying laws, definitions, and procedures related to tax and wage reporting, (2) providing a central contact for employers to get assistance with their tax and wage obligations, and (3) accessing the electronic commerce network to enable employers to report tax and wage information in a consolidated and streamlined format.

- **FedState partnerships:** The IRS and state tax authorities are working together to reduce taxpayer burden, improve taxpayer service, and minimize tax administration costs. The goal is to eliminate duplicative tax requirements and to take advantage of economies of scale in tax administration. Numerous projects are underway. For example, in 1995, taxpayers in 29 states have the option to satisfy both state and federal income tax obligations with a single electronic transmission.

- **Electronic funds transfer:** IRS has developed a system for receiving federal tax deposits through electronic means which is designed to replace the current paper coupon system. Electronic deposits, which can be made from the employer's place of business over the telephone, eliminate frequent trips to the bank, reduce paperwork burden, and lower the risk of errors. This fiscal year, more than 11 thousand employers have enrolled in the program.

- **Electronic methods for return filing:** IRS is successfully developing alternatives to paper returns. Electronic filing is available for the individual Form 1040 forms and schedules, and for several business returns. Business returns that can be filed on magnetic media include Form 1065 K-1s (partnership information), Form 1041 (trust return), Form 1041 K-1s (trust information), and the Form 5500 series (employee plan reporting). In addition, in February 1995, a pilot program was successfully completed for a new electronic system of filing Form 941 (employment tax return).

- **Electronic access to tax forms and publications:** Beginning in December 1994, taxpayers with computers, modems and printers can directly dial up FedWorld -- an on-line information service made available by the Commerce Department -- or access it via the Internet, and can download and print out a blank tax form within minutes. This saves taxpayers a trip to an IRS office or a call to an IRS Distribution Center. This service is available worldwide and includes international tax forms.

  In December 1994, IRS began selling a comprehensive CD-ROM containing all the latest tax forms, instructions, and information publications. The CD includes over 1200 products spanning up to three tax years.

OFFICE OF THE COMPTROLLER OF THE CURRENCY

Improving Access to Credit Through the Community Development and Regulatory Improvement Act.

- **Small Business Capital Enhancement:** In September 1994, President Clinton signed the Community Development and Regulatory Improvement Act. The new law contains many provisions that will benefit small businesses. One effective way to increase liquidity and diversify risks for loan originators is to create a secondary market for the loans through securitization. The new law provides a federal statutory framework for small business and commercial real estate loan securitization.

If lending institutions can securitize small business loans, they can make many more such loans and sell them off for securitization. This process makes money for lending "recyclable"--a lender makes a loan, sells it, takes the proceeds, and lends them out again. This is what we have seen in mortgage lending and the result is lower operating costs for lenders and lower costs for borrowers. Wall Street buys the loans, pools them, and securitizes them, enabling lenders to make more loans without having to wait for repayment month after month. This framework provides securities backed by these loans with a variety of tax, investment and distribution advantages which were not previously available to small business securitizations, but which are available to some other types of securitized loans, like single family mortgage loans.

Subtitle A of the new law works to generate a capital benefit in small business loan sales below what existing capital rules would allow, which in turn may help prompt more bank lending to small businesses. It allows banks selling small business loans first to establish a reserve according to Generally Accepted Accounting Principles, then capitalize only a percentage of the *loss protection* provided, rather than a percentage of the *principal* being protected.

Subtitle B of Title II authorizes for the use of $50 million in Federal funds to encourage and expand small business "capital access programs" administered by states and some localities. Under such programs, a state contributes to a "reserve" fund to cover losses on small business loans underwritten by participating lenders. The participating lender and the benefiting borrower also contribute (through premiums) to the reserve fund. The effect of the fund is to shift some of the risk of loss to the state, as well as to the borrower in the form of the added premium. By reducing the losses a bank can expect on any given loan, the reserve funds create an incentive for banks to make additional loans to credit-constrained small business borrowers. The use of the premium helps to ensure that new loans will tend to go to credit-constrained borrowers. Since the premium raises the borrower's total costs of funds, only those borrowers that cannot get cheaper credit elsewhere will tend to participate.

Recent examples of reducing the regulatory burdens on Financial Institutions include:

- **Bank Fees:** The OCC issued a final rule changing the way it determines the fees charged to national banks for examinations and investigations. By removing detailed formulas used to assess these charges, the new rule reduces trust examination and corporate application fees by approximately 50 percent. This reduction affects small as well as large banks.

- **Non-Complex Bank Exam Procedures:** OCC's Bank Supervision Review Project seeks to fundamentally reorient the OCC's bank examination process. It focuses supervisory resources on those areas and on those banks that pose the most likely threats to the safety and soundness of the banking system. Bank examiners are developing new programs that address the needs of specific industry segments. New examination procedures for small, traditional, community-based banks have already been put in place, focusing on the banks' actual performance. This standardization promotes consistent treatment of similar banks and reduces regulatory burden. The examiners look at each banks' results of operations to confirm that the bank follows sound banking principles; they do not nitpick the methods small banks use to achieve their results. Banks that qualify for this program are examined by experienced personnel using 30 pages of guidelines, replacing the 1200 page manual used for more complex banks, drawing on the longer guidelines only when they encounter unexpected problems.

OFFICE OF THRIFT SUPERVISION

- **Annual Independent Audits:** The Office of Thrift Supervision (OTS) issued a final rule reducing requirements for annual independent audits of savings associations. To lessen the regulatory burden on small well-run institutions, OTS now only requires annual independent audits for thrift institutions with assets of more than $500 million, as well as any institution that did not get the highest rating for safety and soundness in the previous year.

U.S. CUSTOMS SERVICE

The U.S. Customs Service is in the process of developing regulations to implement the Customs modernization provisions of the North American Free Trade Agreement (NAFTA) Implementation Act. These provisions will streamline and automate the commercial operations of the U.S. Customs Service. Examples of regulations implementing provisions that will particularly benefit small businesses include:

- **Remote Filing:** This feature of the legislation permits an importer, or a broker servicing an importer, to do business with Customs from a single location, even though the company or broker may import through more than one port. Since importers will not have to hire a broker at each port used by the importer, small brokers will be more competitive with large brokers.

- **Informed Compliance:** A key to better compliance is making sure that persons and businesses subject to the complex tariff laws know their responsibilities under the law. This will better enable small importers and brokers to comply with these requirements without the need to hire attorneys and other specialists.

- **Country of Origin:** Several U.S. laws require that goods entering the United States be treated differently according to their country of origin. Previously, the

U.S. Customs Service has determined the origin of goods on a case-by-case basis, applying subjective criteria and historical precedents. This has left importers, many of whom are small businesses, with little certainty about the status of their goods under the law. Proposed regulations published on January 3, 1994, set forth a list of product-specific rules that enable both Customs officers and importers to determine the origin of their imported goods with a high degree of certainty and for fewer unexpected costs.

THE MULTILATERAL DEVELOPMENT BANKS

- **Increasing U.S. Exports and Creating U.S. Jobs:** The multilateral development banks are playing a leading role in increasing U.S. exports and creating U.S. jobs. Over the past several years, exports have been responsible for generating between 40 and 50 percent of the real growth in U.S. gross domestic product.

  The multilateral development banks have sparked groundbreaking private sector initiatives in Central and Eastern Europe. They are building major new markets for U.S. firms in Asia, Africa, and Latin America, and working to remove impediments to economic growth in developing countries.

  U.S. firms win contracts to provide goods and services for a wide range of projects financed through the multilateral development banks. In the past two years, nearly $5.0 billion have gone to thousands of U.S. firms as a direct result of their participation in multilateral development bank funded projects.

  U.S. firms also benefit from the work the development banks have done in creating a friendlier economic environment for the private sector in developing countries. U.S. firms have increased their participation in equity and loan investments sponsored by the development banks, and they are beginning to take advantage of newly enhanced instruments such as partial loan guarantees.

- **U.S. Firms Win Major Contracts:** A significant portion of development bank funding also goes to smaller companies. Many of these smaller firms are privately-held, with one or two plants and 200-300 employees. The work they get from the multilateral development banks is an important source of income and it makes a large contribution to employment in the communities where their facilities are located.

- **Subcontractors and Suppliers:** Two multilateral development bank contracts recently awarded to the IBM Corporation of Armonk, New York, provided major economic benefits for a number of subcontractors in other states, including Arkansas, Ohio and California. Teaming with these smaller firms, IBM was successful in entering new data networking and retrieval markets in Thailand and

Argentina. It is now pursuing follow-on contracts that should result in additional commercial benefits.

General Electric, one of the largest recipients of multilateral development bank contracts, estimates that more than 60 percent of the value of its total exports are purchased from its U.S. suppliers. In 1992, these suppliers received $9.5 billion from the sales of their products to various GE divisions which exported final products to foreign markets.

The GE Power Systems Division buys $1.6 billion in intermediate goods and services from 4,670 suppliers in 50 states and the District of Columbia, incorporating them into an export program that covers many developing countries. These power generation suppliers and others like them are "the hidden exporters" of the United States. They have benefitted significantly from their participation in the work of the multilateral development banks.

- **Small and Medium-Size Firms:** Small and medium-size firms also benefit from multilateral development bank business. American Cast Iron Pipe, a company with 3000 employee-owners in Birmingham, Alabama, is providing pipe and fittings for clean water and sewerage projects in Latin America and the Caribbean. These projects are funded through the World Bank and the Inter-American Development Bank.

  Morrison Textile Machine Company, which employs 135 people in Fort Lawn, South Carolina, has won contracts to provide bleaching and other equipment for industrial projects in India funded through the World Bank and the International Development Association. M&W Pump Corporation, which employs 200 people in Deerfield Beach, Florida, is providing fluid pumps and motors for other development bank funded projects in Latin America and Asia.

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

The Federal Alcohol Administration Act of 1935 regulates trade practices among members of the industry, the overwhelming majority of which are small businesses (wineries, and some breweries and distilleries; distributors; retailers). New regulations published in May 1995 clarify ambiguous provisions of the law and define "safe havens" and "danger zones" to better enable members of the industry to conduct their business in compliance with the law.

- **Streamlined Rules for Brewpubs:** Currently ATF regulations treat brewpubs (small breweries which serve their own beer in a tavern on premises) exactly the same as large brewers. Most brewpubs are operated by small businesses and have a limited impact on the revenue collection or the national market. ATF plans to change its regulations to reduce the burdens now placed on these brewpubs with streamlined regulations designed just for them.

FINANCIAL CRIMES ENFORCEMENT NETWORK

The Financial Crimes Enforcement Network (FinCEN) is responsible for implementing the Secretary's anti-money laundering authority under the Bank Secrecy Act (BSA).

- FinCEN has developed a new cash transaction reporting form that eliminated unnecessary and duplicative information and reduced the form by one-third.

- In the rule for reporting wire transfers, FinCEN included a $3,000 reporting threshold, which is expected to exclude 98 percent of all transactions by non-bank money transmitters from the regulatory requirements. A principal beneficiary of this threshold is small businesses.

BUREAU OF THE PUBLIC DEBT

- **Revised rules for registered government securities brokers and dealers:** In adopting risk assessment rules for registered government securities brokers and dealers in 1994, Treasury provided exemptions for small firms (in terms of their capital) and for those firms that have affiliated brokers and dealers that are already in compliance with SEC risk assessment rules. As a result, only 11 of the 33 registered government securities broker and dealers would be subject to Treasury's risk assessment rules. The principal beneficiaries of the rule are small firms that: 1) have under $20 million in capital and do not maintain customer accounts; and 2) have under $250 thousand in capital regardless of whether they carry customer accounts.

SMALL BUSINESS PROGRAM

- **Small Business Program Accomplishments:** In Fiscal Year 1994 Treasury awarded over 42 percent ($556 million) of its total prime procurement dollars to small businesses. Over 21 percent ($284 million) was awarded to minority and women-owned businesses.

- **Minority Business Expansion Effort:** In 1994, the Treasury began hosting regional conferences for minority and women-owned small businesses to: (1) explain National Performance Review initiatives to streamline the procurement process; (2) promote the government purchase card; (3) develop and strengthen relationships between the Treasury, large prime contractors and small businesses; and (4) offer on-the-spot procurement opportunities.

  The lively competition received at the previous three conferences, on the over $8 million in procurement opportunities, produced a cost savings of approximately *$1 million.* The next conference is scheduled for **August 30, 1995, to be held in the City of Industry, California,** located in the heart of small, minority and women-owned business communities. Once again we will showcase NPR initiatives and offer on-the-spot procurement opportunities.

- **Treasury's Contractors Profile Database:** The Treasury has established an automated bidders list which eliminates the need for current vendors or prospective vendors to file a separate Standard Form (SF) 129, Solicitation Mailing List Application, with each Treasury bureau procurement office. Registration via modem, (202) 927-4913, allows vendors the opportunity to provide more specific information regarding their company and its capabilities. Each of Treasury's 12 bureaus has access to this database to obtain additional sources for their bid lists.

- **Monthly Vendor Outreach Sessions:** The Treasury, in conjunction with its bureaus, sponsors a series of small business vendor outreach sessions. They are designed to generate opportunities for businesses who wish to meet technical representatives, program managers, and procurement personnel. The sessions are generally scheduled for the third Wednesday of each month and are held at the Interstate Commerce Commission Building, Hearing Room B, 1201 Constitution Ave., N.W., Washington, DC. Vendors must contact the individual bureaus Small Business Specialists, in advance, to schedule an appointment for the outreach sessions.

- **Get the Fax:** Treasury's Small Business Interactive Fax Line gives the public 24 hour a day access to procurement marketing information. The Fax Line, at (202) 622-1133, can be reached from either a touchtone phone, or the phone on a fax machine. All or part of Treasury's marketing publications or any other small business information can be faxed on demand by following the voice prompts and responding from the keypad on the telephone or fax machine.

For additional information on doing business with the Treasury, contact the Office of Small and Disadvantaged Business Utilization, 1500 Pennsylvania Ave., NW, Room 6100 Annex, MMD, Washington, DC, 20220, at (202) 622-0530.

DEPARTMENT OF THE TREASURY

TREASURY NEWS

OFFICE OF PUBLIC AFFAIRS • 1500 PENNSYLVANIA AVENUE, N.W. • WASHINGTON, D.C. • 20220 • (202) 622-2960

FOR IMMEDIATE RELEASE
June 22, 1995

Contact: Jon Murchinson
(202) 622-2960

RUBIN SIGNS DISTRICT OF COLUMBIA FINANCING AGREEMENT

Treasury Secretary Robert E. Rubin, Thursday, signed a financing agreement that will allow the Treasury Department to advance funds to the District of Columbia pursuant to the District of Columbia Financial Responsibility and Management Assistance Act of 1995.

On June 20, 1995, the District submitted a requisition for $146.7 million to Treasury to enable the city to meet its short-term cash needs. After reviewing the District's financial data, the Government Accounting Office determined that $146.7 million may be advanced for the purpose of assisting the District Government in meeting its general expenditures, as authorized by Congress. Treasury is processing the request and expects to provide the city funds by June 30. The $146.7 million loan will be repaid from the District's Fiscal Year 1996 Federal Payment.

"We all have an interest in the nation's capital being fiscally healthy, and a vibrant place for those who live, work and visit here," Secretary Rubin said.

The newly-appointed members of the District of Columbia Financial Responsibility and Management Assistance Authority, commonly known as the D.C. "control board" will be making recommendations to Congress about how the District can operate more efficiently and address some of the problems posed by its financial structure.

The District has recently stated that its cash needs for Fiscal Year 1995 will exceed the $146.7 million requested by the District, certified by GAO and being advanced by Treasury. Treasury's authority to provide future advances to the District this budget year will likely depend upon action by Congress to afford the city some relief from Congressional spending limits on the District's Fiscal Year 1995 budget.

"It is clear that in the near term, the District, Congress, and the control board will have to work together expeditiously to ensure that the city will have enough funds to operate for the remainder of Fiscal Year 1995," Secretary Rubin said. "Treasury will do its part by meeting its statutory lending obligation."

-30-

RR-391

DEPARTMENT OF THE TREASURY

TREASURY NEWS

OFFICE OF PUBLIC AFFAIRS • 1500 PENNSYLVANIA AVENUE, N.W. • WASHINGTON, D.C. • 20220 • (202) 622-2960

DEPT. OF THE TREASURY

FOR IMMEDIATE RELEASE
June 23, 1995

STATEMENT BY TREASURY SECRETARY ROBERT RUBIN

"We are now at the crucial stage in the financial services negotiations. We must conclude by June 30. The U.S. objective for these negotiations is to obtain from key countries substantially full-market access and national treatment for financial services firms. Offers from many developed and emerging markets meet this objective. Unfortunately, the offers of other important countries fall short. The United States will do its utmost in the next few days to craft a successful agreement, but if these financial services offers are not improved, it will not be possible for the United States to take an irrevocable MFN obligation in the WTO."

-30-

RR-392

DEPARTMENT OF THE TREASURY

TREASURY NEWS

OFFICE OF PUBLIC AFFAIRS • 1500 PENNSYLVANIA AVENUE, N.W. • WASHINGTON, D.C. • 20220 • (202) 622-2960

FOR IMMEDIATE RELEASE
June 23, 1995

MEDIA ADVISORY

Treasury Secretary Robert E. Rubin and U.S. Senator Carol Moseley-Braun will visit an empowerment zone in Chicago, IL, on Monday, June 26, to highlight the importance of the Community Reinvestment Act, now under attack in Congress. They will also meet with local business leaders.

The following visits are open to the press. **This schedule is for planning purposes only and is not for publication.** Times are approximate; all locations are in Chicago.

10:30 am — Visit to Chicago Board of Trade, 141 West Jackson Boulevard.
Secretary Rubin and Senator Moseley-Braun will tour the floor of the Board of Trade.
Cameras should be in place by 10:20 am. **This is a photo opportunity only.**

11:30 am — Mercantile Exchange, Upper Trading Floor, 30 South Wacker Drive.
Secretary Rubin and Senator Moseley-Braun will tour the floor of the Mercantile Exchange.
Cameras should be in place by 11:20 am. **This is a photo opportunity only.**

2 pm — Fulton Carrol Center, 2023 West Carrol Avenue.
Secretary Rubin and Senator Moseley-Braun will tour the facility, then participate in a discussion with community leaders and business people.
Cameras should be in place by 1:45 pm.
Note: The tour portion will be pooled for stills and cameras.

Contacts: Rebecca Lowenthal or Jon Murchinson, U.S. Treasury (202) 622-2960
Contact: Matt Weisman, Office of Senator Moseley-Braun (202) 224-3472
Contact: David Prosperi, Board of Trade (312) 435-3620
Contact: Bill Crawford, Mercantile Exchange (312) 930-1000/3434

RR-393

For press releases, speeches, public schedules and official biographies, call our 24-hour fax line at (202) 622-2040

LIBRARY ROOM 5310

AUCTION RESULTS

PUBLIC DEBT NEWS

Department of the Treasury • Bureau of the Public Debt • Washington, DC 20239

DEPT OF THE TREASURY

FOR IMMEDIATE RELEASE
June 26, 1995

CONTACT: Office of Financing
202-219-3350

RESULTS OF TREASURY'S AUCTION OF 13-WEEK BILLS

Tenders for $13,683 million of 13-week bills to be issued June 29, 1995 and to mature September 28, 1995 were accepted today (CUSIP: 912794U93).

RANGE OF ACCEPTED COMPETITIVE BIDS:

	Discount Rate	Investment Rate	Price
Low	5.31%	5.47%	98.658
High	5.35%	5.51%	98.648
Average	5.35%	5.51%	98.648

Tenders at the high discount rate were allotted 47%.
The investment rate is the equivalent coupon-issue yield.

TENDERS RECEIVED AND ACCEPTED (in thousands)

	Received	Accepted
TOTALS	$49,455,618	$13,683,208
Type		
Competitive	$44,031,476	$8,259,066
Noncompetitive	1,315,072	1,315,072
Subtotal, Public	$45,346,548	$9,574,138
Federal Reserve	3,174,835	3,174,835
Foreign Official Institutions	934,235	934,235
TOTALS	$49,455,618	$13,683,208

An additional $166,665 thousand of bills will be issued to foreign official institutions for new cash.

5.32--98.655 5.33--98.653 5.34--98.650

RR-394

AUCTION RESULTS

PUBLIC DEBT NEWS

Department of the Treasury • Bureau of the Public Debt • Washington, DC 20239

LIBRARY ROOM 5310

JUL 5 1995

DEPT. OF THE TREASURY

FOR IMMEDIATE RELEASE
June 26, 1995

CONTACT: Office of Financing
202-219-3350

RESULTS OF TREASURY'S AUCTION OF 26-WEEK BILLS

Tenders for $13,682 million of 26-week bills to be issued June 29, 1995 and to mature December 28, 1995 were accepted today (CUSIP: 912794W34).

RANGE OF ACCEPTED COMPETITIVE BIDS:

	Discount Rate	Investment Rate	Price
Low	5.32%	5.56%	97.310
High	5.34%	5.58%	97.300
Average	5.34%	5.58%	97.300

Tenders at the high discount rate were allotted 25%.
The investment rate is the equivalent coupon-issue yield.

TENDERS RECEIVED AND ACCEPTED (in thousands)

	Received	Accepted
TOTALS	$51,529,225	$13,681,939
Type		
Competitive	$43,078,124	$5,230,838
Noncompetitive	1,170,658	1,170,658
Subtotal, Public	$44,248,782	$6,401,496
Federal Reserve	3,200,000	3,200,000
Foreign Official Institutions	4,080,443	4,080,443
TOTALS	$51,529,225	$13,681,939

An additional $728,457 thousand of bills will be issued to foreign official institutions for new cash.

5.33 - 97.305

RR-395

OFFICE OF FOREIGN ASSETS CONTROL

SPECIALLY DESIGNATED NATIONALS AND BLOCKED PERSONS

JUL ... AS OF APRIL 18, 1996

1 ATHAR (HNAR) Tanker 1,502DWT Iraqi flag (Iraqi Oil Tankers Company) (vessel) [IRAQ]
1 HURIZAN (HNHN) Tanker 1,502DWT Iraqi flag (Iraqi Oil Tankers Company) (vessel) [IRAQ]
7 NISSAN (HNNN) Tanker 1,502DWT Iraqi Flag (Iraqi Oil Tankers Company) (vessel) [IRAQ]
7TH APRIL CARD BOARD FACTORY, Tajoura, Libya [LIBYA]
13.JULI, Podgorica, Montenegro [FRY S&M]
21 MAJ, Belgrade, Serbia [FRY S&M]
A. BORTOLOTTI & CO. S.P.A. (a.k.a. BORTOLOTTI), Cremona, Italy [LIBYA]
A. BORTOLOTTI & CO. S.P.A. (a.k.a. BORTOLOTTI), Via Predore, 59, 24067 Sarnico, Bergamo, Italy [LIBYA]
A.T.E. INTERNATIONAL LTD (f.k.a. RWR INTERNATIONAL COMMODITIES), 3 Mandeville Place, London, England [IRAQ]
A.W.A. ENGINEERING LIMITED, 3 Mandeville Place, London, England [IRAQ]
ABASTECADORA NAVAL Y INDUSTRIAL, S.A. (a.k.a. ANAINSA), Panama [CUBA]
ABBAS, Abdul Hussein, Italy (individual) [IRAQ]
ABBAS, Abu (a.k.a. ZAYDAN, Muhammad); Director of PALESTINE LIBERATION FRONT - ABU ABBAS FACTION; DOB 10 Dec 1948 (individual) [SDT]
ABBAS, Kassim, Italy (individual) [IRAQ]
ABBOTT, John G., 34 Grosvenor Street, London W1X 9FG, England (individual) [LIBYA]
ABD AL-GHAFUR, Humam Abd al-Khaliq (a.k.a. GHAFUR Humam Abdel Khaleq Abdel), Minister of Higher Education and Scientific Research, DOB 1945, Iraq (individual) [IRAQ]*
ABDELMULLA, Yousef Abd-El-Razegh (a.k.a. ABDULMOLA, Yousef Abd-El-Razegh), P.O. Box 4538, Maidan Masif El Baladi, Tripoli, Libya (individual) [LIBYA]
ABDELNUR, Nury de Jesus, Panama (individual) [CUBA]
ABDUL JAWAD, Mohammed (a.k.a. ABDULJAWAD, Muhammed I.), Tripoli, Libya (individual) [LIBYA]
ABDULJAWAD, Muhammed I. (a.k.a. ABDUL JAWAD, Mohammed), Tripoli, Libya (individual) [LIBYA]
ABDULMALIK, Abdul Hameed (a.k.a. MALIK, Assim Mohammed Rafiq Abdul, a.k.a. RAFIQ, Assem), 14 Almotaz Sad Al Deen Street, Al Nozha Cairo, Egypt (individual) [IRAQ]
ABDULMOLA, Yousef Abd-El-Razegh (a.k.a. ABDELMULLA, Yousef Abd-El-Razegh), P.O. Box 4538, Maidan Masif El Baladi, Tripoli, Libya (individual) [LIBYA]
ABRAHAM, Trevor, England (individual) [IRAQ]
ABRAMOVIC, Miroslava, DOB 20 Feb 56, (moves from country to country) (individual) [FRY S&M]
ABU NIDAL ORGANIZATION (a.k.a. ANO, a.k.a. BLACK SEPTEMBER, a.k.a. FATAH REVOLUTIONARY COUNCIL, a.k.a. ARAB REVOLUTIONARY COUNCIL, a.k.a. ARAB REVOLUTIONARY BRIGADES, a.k.a. REVOLUTIONARY ORGANIZATION OF SOCIALIST MUSLIMS) Libya, Lebanon, Algeria, Sudan, Iraq [SDT]
ACE INDIC NAVIGATION CO., LTD., Malta [CUBA]
ACECHILLY (Acechilly Navigation Co., Malta) (vessel) [CUBA]
ACECHILLY NAVIGATION CO., LTD., 171 Old Bakery Street, Valletta, Malta [CUBA]
ACEFROSTY (Acefrosty Shipping Co., Malta) (vessel) [CUBA]
ACEFROSTY SHIPPING CO., LTD., 171 Old Bakery Street, Valletta, Malta [CUBA]
AD-DAR AL JAMAHIRIYA FOR PUBLISHING DISTRIBUTION & ADVERTISING, P.O. Box 321, Benghazi, Libya [LIBYA]
AD-DAR AL JAMAHIRIYA FOR PUBLISHING DISTRIBUTION & ADVERTISING, P.O. Box 20108, Sebha, Libya [LIBYA]
AD-DAR AL JAMAHIRIYA FOR PUBLISHING DISTRIBUTION & ADVERTISING, P.O. Box 15977, Casablanca, Morocco [LIBYA]
AD-DAR AL JAMAHIRIYA FOR PUBLISHING DISTRIBUTION & ADVERTISING, P.O. Box 959, Tripoli, Libya [LIBYA]
AD-DAR AL JAMAHIRIYA FOR PUBLISHING DISTRIBUTION & ADVERTISING, P.O. Box 547, Valletta, Malta [LIBYA]
AD-DAR AL JAMAHIRIYA FOR PUBLISHING DISTRIBUTION & ADVERTISING, P.O. Box 17459, Misurata, Libya [LIBYA]
ADMINCHECK LIMITED, 1 Old Burlington Street, London, England [IRAQ]
ADMIRAL ZMAJEVIC (9HTX3) General Dry Cargo 8,569GT Malta flag (South Adriatic Bulk Shipping Ltd.) (vessel) [FRY S&M]
ADVANCED ELECTRONICS DEVELOPMENT, LTD., 3 Mandeville Place, London, England [IRAQ]
AERO-CARIBBEAN (a.k.a. AEROCARIBBEAN AIRLINES), Havana, Cuba [CUBA]
AEROCARIBBEAN AIRLINES (a.k.a. AERO-CARIBBEAN), Havana, Cuba [CUBA]
AERODROM BEOGRAD (a.k.a. AIRPORT BELGRADE), Belgrade, Serbia [FRY S&M]
AEROINZINJERING, Belgrade, Serbia [FRY S&M]
AEROTAXI EJECUTIVO, S.A., Managua, Nicaragua [CUBA]
AGENCIA d.d., New York, U.S.A. [FRY S&M]
AGENCIA DE VIAJES GUAMA (a.k.a. VIAJES GUAMA TOURS, a.k.a. GUAMATUR, S.A.; a.k.a. GUAMA TOUR), Bal Harbour Shopping Center, Via Italia, Panama City, Panama [CUBA]
AGHIL, Yousef I., Libya (individual) [LIBYA]
AGIP (N.A.M.E.) LIMITED (a.k.a. AGIP NORTH AFRICA AND MIDDLE EAST OIL COMPANY), Adahr, P.O. Box 346, Sciara Giakarta, Tripoli, Libya [LIBYA]
AGIP (N.A.M.E.) LIMITED (a.k.a. AGIP NORTH AFRICA AND MIDDLE EAST OIL COMPANY), Benghazi Office, P.O. Box 4120, Benghazi, Libya (Designation applies only to joint venture located in Libya) [LIBYA]
AGIP NORTH AFRICA AND MIDDLE EAST OIL COMPANY (a.k.a. AGIP (N.A.M.E.) LIMITED), Benghazi Office, P.O. Box 4120, Benghazi, Libya (Designation applies only to joint venture located in Libya) [LIBYA]
AGIP NORTH AFRICA AND MIDDLE EAST OIL COMPANY (a.k.a. AGIP (N.A.M.E.) LIMITED), Adahr, P.O. Box 346, Sciara Giakarta, Tripoli, Libya [LIBYA]
AGOCO (a.k.a. ARABIAN GULF OIL COMPANY), P.O. Box 693-325, Ben Ashour Street, Tripoli, Libya [LIBYA]
AGOCO (a.k.a. ARABIAN GULF OIL COMPANY), P.O. Box 263, Al Kish, Benghazi, Libya [LIBYA]
AGOCO (a.k.a. ARABIAN GULF OIL COMPANY), Sanr Field, Libya [LIBYA]
AGOCO (a.k.a. ARABIAN GULF OIL COMPANY), Windsor House, 42-50 Victoria Street, London SW1H 0NW, England [LIBYA]
AGRICULTURAL BANK, THE (a.k.a. LIBYAN AGRICULTURAL BANK, a.k.a. NATIONAL AGRICULTURAL BANK OF LIBYA), (1 city branch and 27 branches in Libya) [LIBYA]
AGRICULTURAL BANK, THE (a.k.a. LIBYAN AGRICULTURAL BANK, a.k.a. NATIONAL AGRICULTURAL BANK OF LIBYA), 52, Omar El Mokhtar Street, P.O. Box 1100, Tripoli, Libya [LIBYA]
AGRICULTURAL CO-OPERATIVE BANK, Rashid St, Baghdad, Iraq [IRAQ]
AGRICULTURAL ENGINEERING COMPANY, Libya [LIBYA]
AGRO-KARIC BANK (n.k.a. AKA BANK; n.k.a. AKA BANKA), 109004 Ulyanovskaya 40/22/strenie 1, Moscow, Russia [FRY S&M]
AGRO-UNIVERZAL, Kanjiza, Vojvodina (Serbia) [FRY S&M]
AGROBANKA BELGRADE, all offices worldwide [FRY S&M]
AGROEXPORT, Belgrade, Serbia [FRY S&M]
AGROOPREMA, Belgrade, Serbia [FRY S&M]
AGROPANONIJA, Vrsac, Vojvodina (Serbia) [FRY S&M]
AGROPROM BANKA d.d., Banja Luka, Bosnia-Herzegovina [FRY S&M]
AGROPROMET, Kikinda, Vojvodina (Serbia) [FRY S&M]
AGROVOJVODINA (a.k.a. AGROVOJVODINA EXPORT-IMPORT), 23 Oktobra blvd. 61, 21000 Novi Sad, Vojvodina (Serbia) [FRY S&M], all offices worldwide, including but not limited to:
- AGROVOJVODINA (a.k.a. AGROVOJVODINA EXPORT-IMPORT), Karafiatova 40, Prague 10, Czech Republic [FRY S&M]
- AGROVOJVODINA (a.k.a. AGROVOJVODINA EXPORT-IMPORT), Katona Jozef utca 10/a, 1137 Budapest 13.ker, Hungary [FRY S&M]
- AGROVOJVODINA (a.k.a. AGROVOJVODINA EXPORT-IMPORT), Mosfiljmovskaja 42, Moscow, Russia [FRY S&M]
- AGROVOJVODINA (a.k.a. AGROVOJVODINA EXPORT-IMPORT), Warynskiego 28 m 40, Warsaw, Poland [FRY S&M]

AGROVOJVODINA EXPORT-IMPORT (a.k.a. AGROVOJVODINA), 23 Oktobra blvd. 61, 21000 Novi Sad, Vojvodina (Serbia) [FRY S&M], all offices worldwide, including but not limited to:
- AGROVOJVODINA EXPORT-IMPORT (a.k.a. AGROVOJVODINA), Karafiatova 40, Prague 10, Czech Republic [FRY S&M]
- AGROVOJVODINA EXPORT-IMPORT (a.k.a. AGROVOJVODINA), Katona Jozef utca 10/a, 1137 Budapest 13 ker, Hungary [FRY S&M]
- AGROVOJVODINA EXPORT-IMPORT (a.k.a. AGROVOJVODINA), Mosfiljmovskaja 42, Moscow, Russia [FRY S&M]
- AGROVOJVODINA EXPORT-IMPORT (a.k.a. AGROVOJVODINA), Warynskiego 28 m 40, Warsaw, Poland [FRY S&M]

AGUIAR, Raul, Director, Banco Nacional de Cuba, Avenida de Concha, Espina 8, E-28036 Madrid, Spain (individual) [CUBA]
AHLYA BUILDING MATERIALS CO., P.O. Box 8545, Jumhouriya Street, Tripoli, Libya; (branch) P.O. Box 1351, Benghazi, Libya [LIBYA]
AHMAD QASSEM AND SONS CO., Libya [LIBYA]
AHMAD, Rasem, P.O. Box 1318, Amman, Jordan (individual) [IRAQ]
AHMAD, Wallid Issa, Iraq (individual) [IRAQ]
AIK SUMADIJA, Kragujevac, Serbia [FRY S&M]
AIK VRANJE, Vranje, Serbia [FRY S&M]
AIMOROS SHIPPING CO., Valletta, Malta [CUBA]
AIN ZALAH (HNAZ) Tanker 36,330DWT Iraqi flag (Iraqi Oil Tankers Company, Basrah, Iraq) (vessel) [IRAQ]
AIR JUGOSLAVIA, Belgrade, Serbia [FRY S&M]
AIRE F (f.k.a. OBOD) (9HTG3) General Dry Cargo 13,651GT Malta flag (Oktoih Overseas Shipping Ltd.) (vessel) [FRY S&M]

AIRPORT BELGRADE (a.k.a. AERODROM BEOGRAD), Belgrade, Serbia [FRY S&M]
AKA BANK (a.k.a. AKA BANKA, f.k.a. AGRO-KARIC BANK), 109004 Ulyanovskaya 40/22/strenie 1, Moscow, Russia [FRY S&M]
AKA BANK (a.k.a. AKA BANKA), Krasnodar, Russia [FRY S&M]
AKA BANKA (a.k.a. AKA BANK, f.k.a. AGRO-KARIC BANK), 109004 Ulyanovskaya 40/22/strenie 1, Moscow, Russia [FRY S&M]
AKA BANKA (a.k.a. AKA BANK), Krasnodar, Russia [FRY S&M]
AL ABIAR FODDER PLANT, Libya [LIBYA]
AL-AGELI, Dr. Muktar Ali (a.k.a. EL-AGELI, Dr. Mukhtar Ali; a.k.a. EL-AGELI, Dr. Muktar Ali), Apartment 10, Maida Vale, Little Venice, London, England; 15/17 Lodge Road, St. Johns Wood, London NW8 7JA, England; DOB 23 Jul 44 (individual) [LIBYA]
AL AHLIYA CO. FOR TRADING AND MANUFACTURE OF CLOTHING, P.O. Box 4152, Benghazi, Libya; (branch) P.O. Box 15182, Tripoli, Libya [LIBYA]
AL-AHMAD, Mahmoud Diab (a.k.a. AL-AHMAD Mahmud Dhiyab), Minister of Housing and Reconstruction; Iraq (individual) [IRAQ]*
AL-AHMAD, Mahmud Dhiyab (a.k.a. AL-AHMAD Mahmoud Diab), Minister of Housing and Reconstruction; Iraq (individual) [IRAQ]*
AL-ALYAA (N/A) Tug 375DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
AL AMAL CO. FOR TRADING AND MANUFACTURING OF CLOTHING, Libya [LIBYA]
AL-AMIN (YIAM) Tug 368DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
AL-AMIRI, Adnan Talib Hassim, 43 Palace Mansions, Hammersmith, London, England (individual) [IRAQ]
AL ANBAR (YIAV) Tug DWT N/A Iraqi flag (Government of the Republic of Iraq Managed by the State Organization of Iraqi Ports, Basrah, Iraq) (vessel) [IRAQ]
AL-ARABI TRADING COMPANY LIMITED, Lane 11, Hai Babil, Baghdad District 929, Iraq [IRAQ]
AL-ATRUSH, Abd al-Wahhab Umar Mirza (a.k.a. AL-ATRUSHI Abdel Wahab), a minister of state, DOB 1936, Iraq (individual) [IRAQ]*
AL-ATRUSHI, Abdel Wahab (a.k.a. AL-ATRUSHI Abd al-Wahhab Umar Mirza), a minister of state, DOB 1936, Iraq (individual) [IRAQ]*
AL-AZAWI, Dafir, Iraq (individual) [IRAQ]
AL-BAATH (HNBT) Tanker 9,928DWT Iraqi flag (Iraqi Oil Tankers Company) (vessel) [IRAQ]
AL-BAHAR AL-ARABI (formerly Iraqi-owned, n.k.a. SEABANK) (HQHR4) Fish/Cargo 6,953DWT Honduras flag (Trading & Maritime Investments, Honduras. Managed by Arab Trans Trade Co. S.A.E. Alexandria, Egypt) (vessel) [IRAQ]
AL-BAKR (YIBR) Research 390DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
AL BANNA, Sabri Khalil Abd Al Qadir (a.k.a. NIDAL, Abu), Founder and Secretary General of ABU NIDAL ORGANIZATION, DOB May 1937 or 1940, POB Jaffa, Israel (individual) [SDT]
AL-BAYAA (f.k.a. HIBOOB) (HNHB) Barge 1,662DWT Iraqi flag (Iraqi State Enterprise for Water Transport) (vessel) [IRAQ]
AL-BAZAZ, Hikmat Abdullah (a.k.a. AL-BAZZAZ Hikmat Abdallah), Minister of Education, Iraq (individual) [IRAQ]*
AL-BAZZAZ, Hikmat Abdallah (a.k.a. AL-BAZAZ Hikmat Abdullah), Minister of Education, Iraq (individual) [IRAQ]*
AL-DAJANI, Leila N.S., P.O. Box 1318, Amman, Jordan (individual) [IRAQ]
AL-DAJANI, Nadim S., P.O. Box 1318, Amman, Jordan (individual) [IRAQ]
AL-DAJANI, Sa'ad, P.O. Box 1318, Amman, Jordan (individual) [IRAQ]
AL-DULAIMI, Khalaf M. M., Baghdad, Iraq (individual) [IRAQ]
AL-ENTISAR (N/A) Tug 375DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
AL FAO (YIAN) Research 800DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
AL-GAMA'A AL-ISLAMIYYA (a.k.a. ISLAMIC GAMA'AT, a.k.a. GAMA'AT, a.k.a. GAMA'AT AL-ISLAMIYYA; a.k.a. THE ISLAMIC GROUP), Egypt [SDT]
AL GAZEERA BENGHAZI, P.O. Box 2456, Benghazi, Libya [LIBYA]
AL-HABOBI, Dr. Safa (a.k.a. AL-HABUBI, Dr. Safa Hadi Jawad; a.k.a. JAWAD, Dr. Safa Hadi; a.k.a. HABUBI, Dr. Safa Jawad; a.k.a. AL-HABOBI, Dr. Safa Haji J.), Minister of Oil, DOB 01 Jul 46, Flat 4D Thorney Court, Palace Gate, Kensington, England, Iraq (individual) [IRAQ]*
AL-HABOBI, Dr. Safa Haji J. (a.k.a. AL-HABUBI, Dr. Safa Hadi Jawad; a.k.a. JAWAD, Dr. Safa Hadi; a.k.a. AL-HABOBI, Dr. Safa; a.k.a. HABUBI, Dr. Safa Hadi Jawad), Minister of Oil, DOB 01 Jul 46; Flat 4D Thorney Court, Palace Gate, Kensington, England, Iraq (individual) [IRAQ]*
AL-HABUBI, Dr. Safa Hadi Jawad (a.k.a. HABUBI, Dr. Safa Hadi Jawad; a.k.a. JAWAD, Dr. Safa Hadi; a.k.a. HABUBI, Dr Safa Jawad; or a.k.a. AL-HABOBI, Dr. Safa; a.k.a. AL-HABOBI, Dr. Safa Haji J.), Minister of Oil, DOB 01 Jul 46, Flat 4D Thorney Court, Palace Gate, Kensington, England, Iraq (individual) [IRAQ]*
AL HAMBRA HOLDING COMPANY, Madrid, Spain [LIBYA]
AL-HAMMADI, Hamid Yusif (a.k.a. HAMADI Hamed Yussef), Minister of Culture and Information, Iraq (individual) [IRAQ]*
AL-HASSAN, Anas Malik Dohan (a.k.a. AL-HASSAN, Anas; a.k.a. DOHAN, Anas; a.k.a. DOHAN, Anas Malik; a.k.a. MALIK, Anas), Jordan (individual) [IRAQ]
AL-HASSAN, Anas Malik Dohan (a.k.a. AL-HASSAN, Anas; a.k.a. DOHAN, Anas; a.k.a. DOHAN, Anas Malik; a.k.a. MALIK, Anas), Baghdad, Iraq (individual) [IRAQ]
AL-HASSAN, Watban Ibrahim (a.k.a. AL-TIKRITI, Watban Ibrahim al-Hasan; a.k.a. AL-TAKRITI, Watban), Minister of the Interior, DOB 1952, Baghdad, Iraq (individual) [IRAQ]*
AL-HATHER (YIHR) Tug 368DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
AL-HIJAZI, Mahmud, Secretary of Justice and Public Security of the Government of Libya, Libya, DOB 1944 (Place of birth: Batta, Libya) (individual) [LIBYA]*
AL-HINSHIRI, Izz Al-Din Al-Muhammad, Secretary of Communications and Transport of the Government of Libya, Libya, DOB 6 Oct 51 (individual) [LIBYA]*
AL-HUWAYSH, Isam Rashid, Governor of the Central Bank, Iraq (individual) [IRAQ]*
AL-JABBURI, Sadi Tuma Abbas, Adviser to the President for Military Affairs, DOB 1939, Iraq (individual) [IRAQ]*
AL JAMAL TRADING EST. (BENGHAZI), Benghazi, Libya [LIBYA]
AL-JIHAD (a.k.a. JIHAD GROUP, a.k.a. VANGUARDS OF CONQUEST, a.k.a. TALAA'AL AL-FATEH), Egypt [SDT]
AL-JIHIMI, Tahir, Secretary of Economy and Trade of the Government of Libya, Libya (individual) [LIBYA]*
AL KABIR, 1 Giaddet Omar Mokhtar, P.O. Box 685, Tripoli, Libya (individual) [LIBYA]
AL-KAFI, Isa Abd, Secretary of Agrarian Reform, Land Reclamation, and Animal Resources of the Government of Libya, Libya (individual) [LIBYA]*
AL KARAMAH (HNKM) Tanker 12,882DWT Iraqi flag (Iraqi Oil Tankers Company) (vessel) [IRAQ]
AL-KARRKH (YIKH) Tug 368DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
AL-KHAFAJI, Sabah, 254 Rue Adolphe Pajeaud, 92160 Antony, France (individual) [IRAQ]
AL KHALIDA (HNKD) Tanker 7,155DWT Iraqi flag (Iraqi Oil Tankers Company) (vessel) [IRAQ]
AL-KHALIJ-AL-ARABI (YIKA) Service 4,740DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
AL-KHODAIR, Ahmad Hussein (a.k.a. SAMARRAI, Ahmad Husayn Khudayir), Minister of Finance, DOB 1941, Iraq (individual) [IRAQ]*
AL-MAHMUDI, Baghdadi, Secretary of Health and Social Security of the Government of Libya, Libya (individual) [LIBYA]*
AL-MAJID, General Ali Hasan (a.k.a. AL-MAJID General Ali Hassan), Minister of Defense, DOB 1941, Baghdad, Iraq (individual) [IRAQ]*
AL-MAJID, General Ali Hassan (a.k.a. AL-MAJID General Ali Hasan), Minister of Defense; DOB 1941, Baghdad, Iraq (individual) [IRAQ]*
AL-MAJID, Husayn Kamil Hasan (a.k.a. AL-MAJID Hussein Kamel Hassan), Minister of Industry and Minerals and Advisor to the President; DOB 1955, Baghdad, Iraq (individual) [IRAQ]*
AL-MAJID, Hussein Kamel Hassan (a.k.a. AL-MAJID Husayn Kamil Hasan), Minister of Industry and Minerals and Advisor to the President; DOB 1955, Baghdad, Iraq (individual) [IRAQ]*
AL-MAL, Muhammad Bayt, Secretary of Planning and Finance of the Government of Libya, Libya (individual) [LIBYA]*
AL-MALEKI, Shebib Lazim (a.k.a. AL-MALIKI Shabib Lazem), Minister of Justice; DOB 1936; Iraq (individual) [IRAQ]*
AL-MALIKI, Shabib Lazem (a.k.a. AL-MALEKI Shebib Lazim), Minister of Justice; DOB 1936; Iraq (individual) [IRAQ]*
AL MANSUR (HNMR) Yacht 1,223DWT Iraqi flag (Iraqi State Enterprise for Water Transport) (vessel) [IRAQ]
AL MERBID (YIMD) Service 4,649DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
AL MOSUL (YIAS) Service 1,219DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
AL-MUNTASIR, Umar Mustafa, Secretary of People's External Liaison and International Cooperation Bureau of the Government of Libya, Libya; DOB 1939 (Place of birth: Misurata, Libya) (individual) [LIBYA]*
AL NAJAF (YINF) Service 4,740DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
AL NASR (DDRH) Service 2,444DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
AL NASR (HNNR) Tanker 1,502DWT Iraqi flag (Iraqi Oil Tanker Company) (vessel) [IRAQ]
AL-NOHOODH (YINU) Tug 375DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
AL-OGAILY, Akram H., Flat 2, St. Ronons Court, 63 Putney Hill, London, England (individual) [IRAQ]
AL OMARAH (YIAW) Tug 320DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
AL PETRA COMPANY FOR GOODS TRANSPORT LTD., (a.k.a. PETRA NAVIGATION AND INTERNATIONAL TRADING CO. LTD.) Hai Al Wahda Mahalat 906, 906 Zulak 50, House 14 Baghdad, Iraq [IRAQ]
AL-QADHAFI, Muammar Abu Minyar, head of the Libyan Government and de facto Chief of State, Libya, DOB 1942 (Place of birth: Sirte, Libya) (individual) [LIBYA]*
AL-QADISIYA (HNKS) Yacht 100DWT Iraqi flag (Iraqi State Enterprise for Water Transport) (vessel) [IRAQ]
AL-QASIR, Nazar Jumah Ali (a.k.a. AL-QASSIR Nizar Jomaa Ali), Minister of Irrigation, Iraq (individual) [IRAQ]*
AL-QASSIR, Nizar Jomaa Ali (a.k.a. AL-QASIR Nazar Jumah Ali), Minister of Irrigation, Iraq (individual) [IRAQ]*
AL-QA'UD, Abd Al Majid, Secretary of Libya's General People's Committee, Libya, DOB 1943 (Place of birth: Ghanar, Libya) (individual) [LIBYA]*
AL-RAFIDAIN SHIPPING COMPANY, Bombay, India [IRAQ]
AL RAHMAN, Shaykh Umar Abd; Chief Ideological Figure of ISLAMIC GAMA'AT, DOB 03 May 1938, POB Egypt (individual) [SDT]
AL RAMADI (YIAY) Tug 320DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
AL RASHEED (YIBE) Service 304DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
AL-RASHEED BANK (a.k.a. AL-RASHID BANK, a.k.a. RASHEED BANK), P.O. Box 7177, Haifa Street, Baghdad, Iraq (including, but not limited to, branches located in: Al-Rusafi Branch, No. 505, Al-Masarif Street, Baghdad, Iraq; Credit Commercial Branch, No. 506, Khalid bin Alwaleed Street, Baghdad, Iraq; Basrah Branch, Al Thawrah Street, No. 88, P.O. Box 116, Basrah, Iraq; Mosul Branch, No. 3, P.O. Box 183, Mosul, Iraq) [IRAQ]
AL-RASHID BANK (a.k.a. RASHEED BANK; a.k.a. AL-RASHEED BANK), P.O. Box 7177, Haifa Street, Baghdad, Iraq (including, but not limited to, branches located in: Al-Rusafi Branch, No. 505, Al-Masarif Street, Baghdad, Iraq; Credit Commer-

cial Branch, No. 506, Khalid bin Alwaleed Street, Baghdad, Iraq; Basrah Branch, Al Thawrah Street, No. 88, P.O. Box 116, Basrah, Iraq; Mosul Branch, No. 3, P.O. Box 183, Mosul, Iraq) [IRAQ]

AL RATBA (YIBA) Tanker 544DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]

AL-RESSAFA (YIRF) Tug 368DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]

AL-RIDA, Karim Hasan (a.k.a. RIDA Karim Hassan), Minister of Agriculture; DOB 1944; Iraq (individual) [IRAQ]*

AL-RUBA, Dr. Khadim, Managing Director of REAL ESTATE BANK; Iraq (individual) [IRAQ]*

AL-SAHAF, Mohammed Said (a.k.a. AL-SAHHAF Muhammad Said Kazim), Minister of Foreign Affairs; DOB 1940; Iraq (individual) [IRAQ]*

AL-SAHHAF, Muhammad Said Kazim (a.k.a. AL-SAHAF Mohammed Said), Minister of Foreign Affairs; DOB 1940; Iraq (individual) [IRAQ]*

AL-SAHIL-AL-ARABI (HNSA) Service 6,396DWT Iraqi flag (Iraqi State Enterprise for Sea Fisheries, Basrah Iraq) (vessel) [IRAQ]

AL-SALIH, Muhammad Mahdi (a.k.a. SALEH Mohammed Mahdi), Minister of Trade; DOB 1947; Iraq (individual) [IRAQ]*

AL-SHAMIKH, Mubarak, Secretary of Housing and Utilities of the Government of Libya; Libya; DOB 1950 (individual) [LIBYA]*

AL SHUMOOKH (N/A) Tug 375DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]

AL-TAKRITI, Barzan Ibrahim Hassan (a.k.a. AL-TIKRITI, Barzan Ibrahim Hasan), Advisor to the President; DOB 17 Feb 51; Geneva, Switzerland; Iraq (individual) [IRAQ]*

AL-TAKRITI, Sabawi Ibrahim Hassan, Baghdad, Iraq (individual) [IRAQ]

AL-TAKRITI, Watban (a.k.a. AL-HASSAN, Watban Ibrahim; a.k.a. AL-TIKRITI, Watban Ibrahim al-Hasan), Minister of the Interior; DOB 1952; Baghdad, Iraq (individual) [IRAQ]*

AL-TIKRITI, Barzan Ibrahim Hasan (a.k.a. AL-TAKRITI, Barzan Ibrahim Hassan), Advisor to the President; DOB 17 Feb 51; Geneva, Switzerland; Iraq (individual) [IRAQ]*

AL-TIKRITI, Watban Ibrahim al-Hasan (a.k.a. AL-HASSAN, Watban Ibrahim; a.k.a. AL-TAKRITI, Watban), Minister of the Interior; DOB 1952; Baghdad, Iraq (individual) [IRAQ]*

AL-THIRTHAR (YITH) Tanker 524DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]

AL-WAHDAH (YIWH) Tug 149DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]

AL WALEED (YIBF) Research DWT N/A Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]

AL ZAB (YIBH) Tug DWT N/A Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]

AL-ZAHRAA (HNNZ) RO/RO 3,985DWT Iraqi flag (Iraqi State Enterprise for Water Transport) (vessel) [IRAQ]

AL-ZANATI, Muhammad, Secretary of the General People's Congress of Libya; Libya (individual) [LIBYA]*

AL ZAWAHIRI, Dr. Ayman, Operational and Military Leader of JIHAD GROUP; DOB 19 Jun 1951; POB Giza, Egypt; Passport No. 1084010 (Egypt) (individual) [SDT]

AL ZAWRAA (HNZW) Cargo 3,549DWT Iraqi flag (Iraqi State Enterprise for Water Transport, Baghdad) (vessel) [IRAQ]

AL-ZIBARI, Arshad Muhammad Ahmad Muhammad, a minister of state; DOB 1942; Iraq (individual) [IRAQ]*

AL-ZUBAYDI, Muhammad Hamza (a.k.a. AL-ZUBAIDI Mohammed Hamza), Deputy Prime Minister; DOB 1938; Iraq (individual) [IRAQ]*

AL-ZUBAIDI, Mohammed Hamza (a.k.a. AL-ZUBAYDI Muhammad Hamza), Deputy Prime Minister; DOB 1938; Iraq (individual) [IRAQ]*

AL-ZUMAR, Abbud (a.k.a. ZUMAR, Colonel Abbud), Factional Leader of JIHAD GROUP; Egypt; POB Egypt (individual) [SDT]

ALABID (f.k.a. SANABUL) (HNDB) Barge 1,662DWT Iraqi flag (Iraqi State Enterprise for Water Transport) (vessel) [IRAQ]

ALAWI, Abdel-Salam Abdel-Rahman (a.k.a. ALLAWI, Salam), General Manager of INDUSTRIAL BANK OF IRAQ; Iraq (individual) [IRAQ]*

ALBA (J8FM9) RO/RO Cargo 915GT Saint Vincent flag (Montenegro Overseas Navigation Ltd.) (vessel) [FRY S&M]

ALBAHR ALARABI (a.k.a. BAROON, MV; f.k.a. BAHAR AL ARABI; f.k.a. SEABANK) (V3ML6) Fish/Cargo 6,953DWT Belizean flag (disputed ownership: Baroon Shipping Co. Ltd., Haven Port, Gibraltar; T.L. Dallas & Co., Ltd., Bradford, England; Iraqi State Enterprise for Water Transport, Baghdad, Iraq) (vessel) [IRAQ]

ALEDREESI (HNID) Cargo 3,550DWT Iraqi flag (Iraqi State Enterprise for Water Transport) (vessel) [IRAQ]

ALEGRIA DE PIO (Naviera Maritima de Arosa, Spain) (vessel) [CUBA]

ALFARABI (HNFB) Cargo 8,342DWT Iraqi flag (Iraqi State Enterprise for Water Transport) (vessel) [IRAQ]

ALFARAHIDI (HNFR) Tanker 149,441DWT Iraqi flag (Iraqi Oil Tankers Company) (vessel) [IRAQ]

ALFIDAA (f.k.a. SILOWAT) (HNFD) Barge 1,662DWT Iraqi flag (Iraqi State Enterprise for Water Transport) (vessel) [IRAQ]

ALFONSO, Carlos (a.k.a. Carlos Alfonso GONZALEZ), Panama (individual) [CUBA]

ALI, Ali Abdul Mutalib, Germany (individual) [IRAQ]

ALKADISIYAH (n.k.a. MANDALI) (YIQS) Service 6,977DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]

ALKHANSAA (HNKN) Cargo 3,525DWT Iraqi flag (Iraqi State Enterprise for Water Transport) (vessel) [IRAQ]

ALKHAYOUN, Dhiah H., Chairman and General Manager of RASHEED BANK; Iraq (individual) [IRAQ]*

ALKINDI (HNKI) Cargo 8,342DWT Iraqi flag (Iraqi State Enterprise for Water Transport) (vessel) [IRAQ]

ALLAWI, Salam, (a.k.a. ALAWI Abdel-Salam Abdel-Rahman), General Manager of INDUSTRIAL BANK OF IRAQ; Iraq (individual) [IRAQ]*

ALLEN, Peter Francis, "Greys", 36 Stoughton Lane, Stoughton, Leicestershire, England (individual) [IRAQ]

ALMUSTAN-SIRIYAH (HNMS) Tanker 155,210DWT Iraqi flag (Iraqi Oil Tankers Company) (vessel) [IRAQ]

ALMUTANABBI (HNMB) Tanker 130,241DWT Iraqi flag (Iraqi Oil Tankers Company) (vessel) [IRAQ]

ALNAJAF (YINF) Service 4,740DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]

ALOARDI, Carlo Giovanni, Milan, Italy (individual) [CUBA]

ALQADISIYAH (HNQS) Tanker 155,210DWT Iraqi flag (Iraqi Oil Tankers Company) (vessel) [IRAQ]

ALRAZI (formerly Iraqi-owned, n.k.a. SKY SEA) (HNRZ) Cargo 8,334 DWT Honduras flag (Pandora Shipping Co. S.A., Honduras. Managed by Petra Navigation & International Trading Co. Ltd., Amman, Jordan) (vessel) [IRAQ]

ALSUMOOD (YISD) Service 6,977DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]

ALTAAWIN-ALARABI (HNAI) Cargo 13,634DWT Iraqi flag (Iraqi State Enterprise for Water Transport) (vessel) [IRAQ]

ALUBAF ARAB INTERNATIONAL BANK E.C. (a.k.a. ALUBAF), UGB Tower, Diplomatic Area, P.O. Box 12529, Manama, Bahrain [LIBYA]

ALUBAF INTERNATIONAL BANK - TUNIS (a.k.a. ALUBAF - TUNIS), 90-92 Avenue Hedi Chaker, P.O. Box 51, 1002 Tunis Belvedere, Tunisia [LIBYA]

ALUMINUM COOPERATIVE PODGORICA (a.k.a. KOMBINAT ALUMINIJUMA PODGORICA), P.O.B. 22, 81000 Podgorica, Montenegro [FRY S&M]

ALVAREZ, Manuel (AGUIRRE), Panama (individual) [CUBA]

ALWAHDA (HNAD) Barge 1,662DWT Iraqi flag (Iraqi State Enterprise for Water Transport) (vessel) [IRAQ]

ALWAN, Allaidin Hussain (a.k.a. ALWAN, Alla Idin Hussain), Baghdad, Iraq (individual) [IRAQ]

ALWASITTI (HNWS) Cargo 8,343DWT Iraqi flag (Iraqi State Enterprise for Water Transport) (vessel) [IRAQ]

ALYARMUK (HNYK) Tanker 149,371DWT Iraqi flag (Iraqi Oil Tankers Company) (vessel) [IRAQ]

ALZUBAIR (YIZR) Service 4,640DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]

AMAN CO. FOR TYRES AND BATTERIES, Tajura Km. 19, P.O. Box 30737, Tripoli, Libya; (branch) P.O. Box 2394, Bengazi, Libya; (branch) Tripoli, Libya; (branch) P.O. Box 17757, Misurata, Libya; (branch) Sabha, Libya [LIBYA]

AMARO, Joaquim Ferreira, Praca Pio X, 54-10o Andar CEP 20091, Rio de Janeiro, Brazil (individual) [IRAQ]

AMD CO. LTD AGENCY, Al-Tahrir Car Parking Building, Tahrir Sq., Floor 3, Office 33, P.O. Box 8044, Baghdad, Iraq [IRAQ]

AMERICAN AIR WAYS CHARTERS, INC., 1840 West 49th Street, Hialeah, Florida, U.S.A. [CUBA]

AMEROPA MERCHANDISING CORP., East Rockaway, NY, U.S.A. [FRY S&M]

AMURIYAH (HNAM) Tanker 155,210DWT Iraqi flag (Iraqi Oil Tankers Company) (vessel) [IRAQ]

ANA 1 (Navigable Water Corp., Panama) (vessel) [CUBA]

ANAINSA (a.k.a. ABASTECADORA NAVAL Y INDUSTRIAL, S.A), Panama [CUBA]

ANDJIC, Slobodan, Kolazceja 1, 11000 Belgrade, Serbia (individual) [FRY S&M]

ANDZIC, Rodoljub; Colonel and Commander, Mixed Herzegovina Air Force and Air Defense Brigade, SRBH Forces; Bosnia-Herzegovina (individual) [SRBH]

ANGELINI, Alejandro Abood, Panama (individual) [CUBA]

ANGLO-CARIBBEAN CO., LTD. (a.k.a. AVIA IMPORT), Ibex House, The Minories, London EC3N 1DY, England [CUBA]

ANGLO-YUGOSLAV BANK (n.k.a. AY BANK LIMITED), London, England [FRY S&M]

ANO (a.k.a. ABU NIDAL ORGANIZATION; a.k.a. BLACK SEPTEMBER; a.k.a. FATAH REVOLUTIONARY COUNCIL; a.k.a. ARAB REVOLUTIONARY COUNCIL; a.k.a. ARAB REVOLUTIONARY BRIGADES; a.k.a. REVOLUTIONARY ORGANIZATION OF SOCIALIST MUSLIMS), Libya; Lebanon; Algeria; Sudan; Iraq [SDT]

ANSAR ALLAH (a.k.a. PARTY OF GOD; a.k.a. HIZBALLAH; a.k.a. ISLAMIC JIHAD; a.k.a. REVOLUTIONARY JUSTICE ORGANIZATION; a.k.a. ORGANIZATION OF THE OPPRESSED ON EARTH; a.k.a. ISLAMIC JIHAD FOR THE LIBERATION OF PALESTINE; a.k.a. FOLLOWERS OF THE PROPHET MUHAMMAD), Lebanon [SDT]

ANTAMALLO SHIPPING CO., LTD., Valletta, Malta [CUBA]

ANTARA (YIBD) Service 508DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]

ANTIC, Bozidar; President of SRBH Chamber of Commerce, Bosnia-Herzegovina (individual) [SRBH]

ANTILLANA SALVAGE CO., LTD., 171 Old Bakery Street, Valletta, Malta [CUBA]

APABO (a.k.a. ARAB HELLENIC BANK, S.A.), 80-88 Syngrou Avenue, GR-117 41 Athens, Greece; P.O. Box 19126, GR-117 10 Athens, Greece; 43 Penepistimiou Street, GR-105 64 Athens, Greece [LIBYA]

APATEX-APATIN, Industrijska Zona, 25260 Apatin, Serbia [FRY S&M]

AQUITAINE LIBYE, Omar El Mokhtar Street, P.O. Box 282, Tripoli, Libya (Designation applies only to joint venture located in Libya) [LIBYA]

ARAB BANK FOR INVESTMENT AND FOREIGN TRADE (a.k.a. ARBIFT), Al Masood Building, Khalifa Street, P.O. Box 7588, Abu Dhabi, U.A.E. [LIBYA]

ARAB BANK FOR INVESTMENT AND FOREIGN TRADE (a.k.a. ARBIFT), Head Office, ARBIFT Building, Sheikh Hamdan Street, P.O. Box 2484, Abu Dhabi, U.A.E. [LIBYA]

ARAB BANK FOR INVESTMENT AND FOREIGN TRADE (a.k.a. ARBIFT), ARBIFT Tower, Baniyas Street, P.O. Box 5549, Deira, Dubai, U.A.E. [LIBYA]

ARAB BANK FOR INVESTMENT AND FOREIGN TRADE (a.k.a. ARBIFT), Khalfan Bin Rakan Building, Khalifa Street, P.O. Box 16003, Al Ain, U.A.E. [LIBYA]

ARAB COMMERCIAL INSURANCE COMPANY, Channel Islands [LIBYA]

ARAB CO. FOR IMPORTATION AND MANUFACTURE OF CLOTHING AND TEXTILES, Libya [LIBYA]
ARAB HELLENIC BANK, S.A. (a.k.a. APABO), 80-88 Syngrou Avenue, GR-117 41 Athens, Greece; P.O. Box 19126, GR-117 10 Athens, Greece; 43 Penepistimiou Street, GR-105 64 Athens, Greece [LIBYA]
ARAB LIBYAN SYRIAN INDUSTRIAL & AGRICULTURAL INVESTMENT COMPANY (a.k.a. SYLICO; a.k.a. SYRIAN LIBYAN COMPANY - INDUSTRIAL & AGRICULTURAL INVESTMENTS), 9 Mazze, Autostrade, Damascus, Syria [LIBYA]
ARAB LIBYAN TUNISIAN BANK S.A.L. (n.k.a. NORTH AFRICA COMMERCIAL BANK S.A.L.), P.O. Box 9575/11, 1st Floor, Piccadily Centre, Hamra Street, Beirut, Lebanon [LIBYA]
ARAB PETROLEUM ENGINEERING COMPANY LTD., Amman, Jordan [IRAQ]
ARAB PROJECTS COMPANY S.A. LTD., P.O. Box 7939, Beirut, Lebanon [IRAQ]
ARAB PROJECTS COMPANY S.A. LTD., P.O. Box 1972, Riyadh, Saudi Arabia [IRAQ]
ARAB PROJECTS COMPANY S.A. LTD., P.O. Box 1318, Amman, Jordan [IRAQ]
ARAB REAL ESTATE COMPANY (a.k.a. ARESCO), Beirut, Lebanon [LIBYA]
ARAB REVOLUTIONARY BRIGADES (a.k.a. ANO; a.k.a. ABU NIDAL ORGANIZATION; a.k.a. BLACK SEPTEMBER; a.k.a. FATAH REVOLUTIONARY COUNCIL; a.k.a. ARAB REVOLUTIONARY COUNCIL; a.k.a. REVOLUTIONARY ORGANIZATION OF SOCIALIST MUSLIMS), Libya; Lebanon; Algeria; Sudan; Iraq [SDT]
ARAB REVOLUTIONARY COUNCIL (a.k.a. ANO; a.k.a. ABU NIDAL ORGANIZATION; a.k.a. BLACK SEPTEMBER; a.k.a. FATAH REVOLUTIONARY COUNCIL; a.k.a. ARAB REVOLUTIONARY BRIGADES; a.k.a. REVOLUTIONARY ORGANIZATION OF SOCIALIST MUSLIMS), Libya; Lebanon; Algeria; Sudan; Iraq [SDT]
ARAB TURKISH BANK (a.k.a. ARAP TURK BANKASI A.S.; a.k.a. ATB), Vali Konagi Cad. No. 10, 80200 Nistantas, Istanbul, Turkey [LIBYA]
ARAB TURKISH BANK (a.k.a. ARAP TURK BANKASI A.S.; a.k.a. ATB), P.O. Box 380, 80223 Sisli, Istanbul, Turkey [LIBYA]
ARAB TURKISH BANK (a.k.a. ARAP TURK BANKASI A.S.; a.k.a. ATB), Ziyapasa Bulvari No. 14/A, 01130 Adana, Turkey [LIBYA]
ARAB TURKISH BANK (a.k.a. ARAP TURK BANKASI A.S.; a.k.a. ATB), P.O. Box 11, 01321 Adana, Turkey [LIBYA]
ARAB TURKISH BANK (a.k.a. ARAP TURK BANKASI A.S.; a.k.a. ATB), Havuzlu Sok. No. 3, 06540 Asagi Ayranci, Ankara, Turkey [LIBYA]
ARAB TURKISH BANK (a.k.a. ARAP TURK BANKASI A.S.; a.k.a. ATB), P.O. Box 38, 06552 Cankaya, Ankara, Turkey [LIBYA]
ARAB TURKISH BANK (a.k.a. ARAP TURK BANKASI A.S.; a.k.a. ATB), Gaziosmanpasa Bulvari No. 10/1, 35210 Alsancak, Izmir, Turkey [LIBYA]
ARAB TURKISH BANK (a.k.a. ARAP TURK BANKASI A.S.; a.k.a. ATB), P.O. Box 52, 35212 Pasaport, Izmir, Turkey [LIBYA]
ARAB UNION CONTRACTING CO., P.O. Box 3475, Tripoli, Libya [LIBYA]
ARABIAN GULF OIL COMPANY (a.k.a. AGOCO), P.O. Box 693-325 Ben Ashour Street, Tripoli, Libya [LIBYA]
ARABIAN GULF OIL COMPANY (a.k.a. AGOCO), P.O. Box 263, Al Kish, Benghazi, Libya [LIBYA]
ARABIAN GULF OIL COMPANY (a.k.a. AGOCO), Sarir Field, Libya [LIBYA]
ARABIAN GULF OIL COMPANY (a.k.a. AGOCO), Windsor House, 42-50 Victoria Street, London SW1H 0NW, England [LIBYA]
ARAP TURK BANKASI A.S. (a.k.a. ARAB TURKISH BANK; a.k.a. ATB), Vali Konagi Cad. No. 10, 80200 Nistantas, Istanbul, Turkey [LIBYA]
ARAP TURK BANKASI A.S. (a.k.a. ARAB TURKISH BANK; a.k.a. ATB), P.O. Box 380, 80223 Sisli, Istanbul, Turkey [LIBYA]
ARAP TURK BANKASI A.S. (a.k.a. ARAB TURKISH BANK; a.k.a. ATB), Ziyapasa Bulvari No. 14/A, 01130 Adana, Turkey [LIBYA]
ARAP TURK BANKASI A.S. (a.k.a. ARAB TURKISH BANK; a.k.a. ATB), P.O. Box 11, 01321 Adana, Turkey [LIBYA]
ARAP TURK BANKASI A.S. (a.k.a. ARAB TURKISH BANK; a.k.a. ATB), Havuzlu Sok. No. 3, 06540 Asagi Ayranci, Ankara, Turkey [LIBYA]
ARAP TURK BANKASI A.S. (a.k.a. ARAB TURKISH BANK; a.k.a. ATB), P.O. Box 38, 06552 Cankaya, Ankara, Turkey [LIBYA]
ARAP TURK BANKASI A.S. (a.k.a. ARAB TURKISH BANK; a.k.a. ATB), Gaziosmanpasa Bulvari No. 10/1, 35210 Alsancak, Izmir, Turkey [LIBYA]
ARAP TURK BANKASI A.S. (a.k.a. ARAB TURKISH BANK; a.k.a. ATB), P.O. Box 52, 35212 Pasaport, Izmir, Turkey [LIBYA]
ARBEEL (YIBB) Tug 320DWT Iraqi flag (State Org of Iraqi Ports) (vessel) [IRAQ]
ARBIFT (a.k.a. ARAB BANK FOR INVESTMENT AND FOREIGN TRADE), Al Masood Building, Khalifa Street, P.O. Box 7588, Abu Dhabi, U.A.E. [LIBYA]
ARBIFT (a.k.a. ARAB BANK FOR INVESTMENT AND FOREIGN TRADE), Head Office, ARBIFT Building, Sheikh Hamdan Street, P.O. Box 2484, Abu Dhabi, U.A.E. [LIBYA]
ARBIFT (a.k.a. ARAB BANK FOR INVESTMENT AND FOREIGN TRADE), Khalfan Bin Rakan Building, Khalifa Street, P.O. Box 16003, Al Ain, U.A.E. [LIBYA]
ARBIFT (a.k.a. ARAB BANK FOR INVESTMENT AND FOREIGN TRADE), ARBIFT Tower, Baniyas Street, P.O. Box 5549, Deira, Dubai, U.A.E. [LIBYA]
ARCHI CENTRE I.C.E. LIMITED, 3 Mandeville Place, London, England [IRAQ]
ARCHICONSULT LIMITED, 128 Buckingham Place, London 5, England [IRAQ]
ARENAL SHIPPING S.A., Office 803, Nicolaou Pentadromos Centre, Pentadromos Junction, Limassol, Cyprus [FRY S&M]
ARESCO (a.k.a. ARAB REAL ESTATE COMPANY), Beirut, Lebanon [LIBYA]
ARIFI, Dr. Najmeddine Abdalla (a.k.a. ARIFI, Dr. Nagmeddin Abdalla), P.O. Box 2134, Tripoli, Libya; DOB 21 Nov 47 (individual) [LIBYA]
ARION SHIPPING CO., LTD., 60 South Street, Valletta, Malta [CUBA]
ARMANI, Dino, Via San Francesco d'Assisi 10, Milan, Italy; Via Abruzzi 94, Milan, Italy; Viale Abbruzzi 24, Milan, Italy; DOB 20 Sep 20 (individual) [LIBYA]
ARMANI, Giampiero, Viale Abruzzi 94, Milan, Italy; DOB 15 Sep 32 (individual) [LIBYA]
AS IMPEX/AEROSERVIS, Serbia [FRY S&M]
ASSOCIATED BANK OF KOSOVO (a.k.a. UDRUZENA KOSOVSKA BANKA), all offices worldwide [FRY S&M] including but not limited to
- ASSOCIATED BANK OF KOSOVO (a.k.a. UDRUZENA KOSOVSKA BANKA), Rossmarkt 14/111, 6000 Frankfurt am Main 1, Germany [FRY S&M]
- ASSOCIATED BANK OF KOSOVO (a.k.a. UDRUZENA KOSOVSKA BANKA), Schauenbergstrasse 8, 8046 Zurich, Switzerland [FRY S&M]

ASSOCIATED BANK OF NOVI SAD (a.k.a. VOJVODJANSKA BANKA d.d.), all offices (Bank is headquatered in Novi Sad, Vojvodina [Serbia]) [FRY S&M]
ASSOCIATED BELGRADE BANK (a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), all offices worldwide [FRY S&M] including, but not limited to
- ASSOCIATED BELGRADE BANK (a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), Kleine Budergasse 13, 5000 Koln (Cologne) 1, Germany [FRY S&M]
- ASSOCIATED BELGRADE BANK (a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), Kungsgaten 32/VI, P.O. Box 7592, 10393 Stockholm, Sweden [FRY S&M]
- ASSOCIATED BELGRADE BANK (a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), Uranis Strasse 14/III, 8001 Zurich, Switzerland [FRY S&M]
- ASSOCIATED BELGRADE BANK (a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), 71 Avenue des Champs-Elysees, 75008 Paris, France [FRY S&M]
- ASSOCIATED BELGRADE BANK (a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), P.O. Box 3502, Harrare, Zimbabwe [FRY S&M]
- ASSOCIATED BELGRADE BANK (a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), 38 Rue Ali Azil, Algiers, Algeria [FRY S&M]
- ASSOCIATED BELGRADE BANK (a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), Damrak 28-30/IV, Amsterdam, Netherlands [FRY S&M]
- ASSOCIATED BELGRADE BANK (a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), Tubingerstrasse 72, 7000 Stuttgart 1, Germany [FRY S&M]
- ASSOCIATED BELGRADE BANK (a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), Alt Moabit 74, 1000 Berlin 21, Germany [FRY S&M]
- ASSOCIATED BELGRADE BANK (a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), Sonnenstrasse 12/III, 8000 Munich 2, Germany [FRY S&M]
- ASSOCIATED BELGRADE BANK (a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), Piazza Velasca 5, Milan, Italy [FRY S&M]
- ASSOCIATED BELGRADE BANK (a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), 85-93/IV Zeil, 6000 Frankfurt am Main, Germany [FRY S&M]
- ASSOCIATED BELGRADE BANK (a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), Lange Reihe 66, 2000 Hamburg 1, Germany [FRY S&M]
- ASSOCIATED BELGRADE BANK (a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), Drokstre Str. 14-16, 3000 Hannover 1, Germany [FRY S&M]
- ASSOCIATED BELGRADE BANK (a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), 108 Fenchurch Street, London LEC 3M 5 JJ, England [FRY S&M]
- ASSOCIATED BELGRADE BANK (a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), Landestrasse-Hauptstrasse 1/III, 1030 Vienna, Austria [FRY S&M]
- ASSOCIATED BELGRADE BANK (a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), P.O. Box 2869, Tripoli, Libya [FRY S&M]
- ASSOCIATED BELGRADE BANK (a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), Sokolovska 93/2p, Prague 8-Karlin, Czech Republic [FRY S&M]
- ASSOCIATED BELGRADE BANK (a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), Karlstrasse 31, 4000 Dusseldorf 1, Germany [FRY S&M]
- ASSOCIATED BELGRADE BANK (a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), Przedstawicielstwo, Aleje Roz 5, Warsaw, Poland [FRY S&M]
- ASSOCIATED BELGRADE BANK (a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), 40 Rue de l'Ecuyer, BTE 8, 1000 Brussels, Belgium [FRY S&M]

ASSOCIATED ENGINEERS, England [IRAQ]

ASSOCIATION OF YUGOSLAV RAILWAYS (a.k.a. ZAJEDNICA JUGOSLOVENSKIH ZELEZNICA), Belgrade, Serbia [FRY S&M]
ASTERIS S.A. INDUSTRIAL & COMMERCIAL CORPORATION, Athens, Greece [LIBYA]
ASTRO-ORION, Serbia [FRY S&M]
ATB (a.k.a. ARAP TURK BANKASI A.S.; a.k.a. ARAB TURKISH BANK), Vali Konagi Cad. No 10, 80200 Nistantas, Istanbul, Turkey [LIBYA]
ATB (a.k.a. ARAP TURK BANKASI A.S.; a.k.a. ARAB TURKISH BANK), P.O. Box 380, 80223 Sisli, Istanbul, Turkey [LIBYA]
ATB (a.k.a. ARAP TURK BANKASI A.S.; a.k.a. ARAB TURKISH BANK), Ziyapasa Bulvari No. 14/A, 01130 Adana, Turkey [LIBYA]
ATB (a.k.a. ARAP TURK BANKASI A.S.; a.k.a. ARAB TURKISH BANK), P.O. Box 11, 01321 Adana, Turkey [LIBYA]
ATB (a.k.a. ARAP TURK BANKASI A.S.; a.k.a. ARAB TURKISH BANK), Havuzlu Sok. No 3, 06540 Asagi Ayranci, Ankara, Turkey [LIBYA]
ATB (a.k.a. ARAP TURK BANKASI A.S.; a.k.a. ARAB TURKISH BANK), P.O. Box 38, 06552 Cankaya, Ankara, Turkey [LIBYA]
ATB (a.k.a. ARAP TURK BANKASI A.S.; a.k.a. ARAB TURKISH BANK), Gaziosmanpasa Bulvari No. 10/1, 35210 Alsancak, Izmir, Turkey [LIBYA]
ATB (a.k.a. ARAP TURK BANKASI A.S.; a.k.a. ARAB TURKISH BANK), P.O. Box 52, 35212 Pasaport, Izmir, Turkey [LIBYA]
ATEKS, Belgrade, Serbia [FRY S&M]
ATIA, Hachim K., 2 Stratford Place, London W1N 9AE, England (individual) [IRAQ]
ATIA, Hachim K., Hay Al-Adil, Mahala-645, Zukak-8, No.-39, Baghdad, Iraq (individual) [IRAQ]
ATIA, Hachim K., Lane 15, Area 902, Hai Al-Wahda, Baghdad, Iraq (individual) [IRAQ]
ATLAS AIR CONDITIONING COMPANY LIMITED, 55 Roebuck House, Palace Street, London, England [IRAQ]
ATLAS EQUIPMENT COMPANY LIMITED, 55 Roebuck House, Palace Street, London, England [IRAQ]
AUTO BATTERY PLANT, Libya [LIBYA]
AUTOMOBILE INDUSTRY - CRVENA ZASTAVA (a.k.a. ZASTAVA; a.k.a. ZAVODI CRVENA ZASTAVA - KRAGUJEVAC), Kragujevac, Serbia [FRY S&M]
AUTOPREVOZ, Pljevlja, Montenegro [FRY S&M]
AUTOTEHNA, Belgrade, Serbia [FRY S&M]
AVALA (n.k.a. DAN; f.k.a. GOLD STAR) (J8FN7) Bulk Carrier 27,069GT Denmark (Saint Vincent) Flag (Leonela Shipping) ((Sunbow Maritime S.A.)) (vessel) [FRY S&M]
AVALON, S.A., Colon Free Zone, Panama [CUBA]
AVIA IMPORT (a.k.a. ANGLO-CARIBBEAN CO., LTD.), Ibex House, The Minories, London, EC3N 1DY, England [CUBA]
AVIOGENEX, Milentia Popovica, 11070 Belgrade, Serbia [FRY S&M]
AVIS FAITH (Bradfield Maritime Corp. Inc., Panama) (vessel) [CUBA]
AVNOJA 57, Serbia [FRY S&M]
AVRAMOVIC, Dragoslav, Governor of National Bank of Yugoslavia, DOB 14 Oct 19, Bulevar Revolucije 15, 11000 Belgrade, Serbia; 13200 Cleveland Drive, Rockville, Maryland U.S.A. (individual) [FRY S&M]
AWDA, Abd Al Aziz, Chief Ideological Figure of PALESTINIAN ISLAMIC JIHAD - SHIQAQI, DOB 1946 (individual) [SDT]
AY BANK LIMITED (f.k.a. ANGLO-YUGOSLAV BANK), London, England [FRY S&M]
AZIZ, Fouad Hamza, Praca Pio X, 54-10o Andar, CEP 20091, Rio de Janeiro, Brazil (individual) [IRAQ]
AZIZ, Tariq Mikhail, Deputy Prime Minister, DOB 1936, Iraq (individual) [IRAQ]*
AZIZIA BOTTLE PLANT, Libya [LIBYA]
AZRAK S.A., Panama [CUBA]
AZZAWIYA OIL REFINING COMPANY, Benghazi Asphalt Plant Office, Benghazi, Libya [LIBYA]
AZZAWIYA OIL REFINING COMPANY, P.O. Box 6451, Tripoli, Libya [LIBYA]
B K COMPANY (a.k.a. B K HOLDING; a.k.a. BRACA KARIC COMPANY; a.k.a. BRACA KARIC TRADE COMPANY; a.k.a. BRACE KARIC COMPANY; a.k.a. KARIC BROTHERS HOLDING), Palmira Toljatija 3, 11070 Novi Beograd, Serbia, and all affiliated companies worldwide [FRY S&M]
B K HOLDING (a.k.a. B K COMPANY; a.k.a. BRACA KARIC COMPANY; a.k.a. BRACA KARIC TRADE COMPANY; a.k.a. BRACE KARIC COMPANY; a.k.a. KARIC BROTHERS HOLDING), Palmira Toljatija 3, 11070 Novi Beograd, Serbia, and all affiliated companies worldwide [FRY S&M]
B K HOLDING JAKUTSK (a.k.a. B K HOLDING YAKUTSK), ul. Yaroslavskaya, d. 30/1, kv. 101, Yakutsk, Siberia, Russia [FRY S&M]
B K HOLDING SOUTH GATE, Fedba Towers, P.O. Box 30567, Kenya [FRY S&M]
B K HOLDING TASHKENT, ul. May, d.85, Tashkent, Uzbekistan [FRY S&M]
B K HOLDING TOBOLJSK (a.k.a. B K HOLDING TOBOLYSK), Gostinica Inostranih Specyalistov, km 8, Tobolysk, 6-tya mikrorayon, Tyumenskaya Oblast, Russia [FRY S&M]
B K HOLDING TOBOLYSK (a.k.a. B K HOLDING TOBOLJSK), Gostinica Inostranih Specyalistov, km 8, Tobolysk, 6-tya mikrorayon, Tyumenskaya Oblast, Russia [FRY S&M]
B K HOLDING YAKUTSK (a.k.a. B K HOLDING JAKUTSK), ul. Yaroslavskaya, d. 30/1, kv. 101, Yakutsk, Siberia, Russia [FRY S&M]
B K HOLDING ZAPOROZHYE (a.k.a. B K HOLDING ZAPOROZJE), Prospekt Lenina, 181, kv. 35, Zaporozhye, 330006 Ukraine [FRY S&M]
B K HOLDING ZAPOROZJE (a.k.a. B K HOLDING ZAPOROZHYE), Prospekt Lenina, 181, kv. 35, Zaporozhye, 330006 Ukraine [FRY S&M]
B K ING, Moscow, Russia [FRY S&M]
B K TRADE, 5th Voykovskiy pr 12, Moscow, Russia 125171 [FRY S&M]
B S E GENEX CO LTD (a.k.a. B S E TRADING LIMITED), Heddon House, 149-151 Regent Street, London, W1R 8HP, England [FRY S&M]
B S E TRADING LIMITED (f.k.a. B S E GENEX CO. LTD.), Heddon House, 149-151 Regent Street, London, W1R 8HP, England [FRY S&M]
B T L (a.k.a. BANQUE ARABE TUNISO-LIBYENNE DE DEVELOPPEMENT ET DE COMMERCE EXTERIEUR), 25 Avenue Kheireddine Pacha, P.O. Box 102, 1002 Le Belvedere, Tunis, Tunisia [LIBYA]
BABA GURGUR (HNGR) Tanker 36,397DWT Iraqi flag (Iraqi Oil Tankers Company) (vessel) [IRAQ]
BABIL INTERNATIONAL, Aeroport D'Orly, 94390 Orly Aerogare, France [IRAQ]
BABYLON (HNBB) Cargo 13,656DWT Iraqi flag (Iraqi State Enterprise for Water Transport) (vessel) [IRAQ]
BADI, Mahmud, Secretary of People's Control and Follow-up of the Government of Libya, Libya (individual) [LIBYA]*
BADR (N/A) Service 647DWT Saudi Arabian flag (Government of the Republic of Iraq, Ministry of Oil, State Company for Oil Projects, Baghdad, Iraq) (vessel) [IRAQ]
BAGERSKO BRODARSKO PREDUZECE, Hajduk Veljkov Venac 46, 11000 Belgrade, Serbia [FRY S&M]
BAGHDAD (HNBD) Cargo 13,656DWT Iraqi flag (Iraqi State Enterprise for Water Transport) (vessel) [IRAQ]
BAGHDAD (YIAD) Service 2,900DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
BAHAR AL ARABI (n.k.a. ALBAHR ALARABI; n.k.a. BAROON; MV; f.k.a. SEABANK) (V3ML6) Fish/Cargo 6,953DWT Belizean flag (disputed ownership Baroon Shipping Co. Ltd., Haven Port, Gibraltar; T.L. Dallas & Co., Ltd., Bradford, England; Iraqi State Enterprise for Water Transport, Baghdad, Iraq) (vessel) [IRAQ]
BALIMA (a.k.a. BANQUE ARABE LIBYENNE MALIENNE POUR LE COMMERCE EXTERIEUR ET LE DEVELOPPEMENT; a.k.a. BANQUE COMMERCIALE DU SAHEL), P.O. Box 2372, Bamako, Mali [LIBYA]
BALINEX (a.k.a. BANQUE ARABE LIBYENNE NIGERIENNE POUR LE COMMERCE EXTERIEUR ET LE DEVELOPPEMENT; a.k.a. BANQUE COMMERCIALE DU NIGER; a.k.a. BCN), P.O. Box 11363, Niamey, Niger [LIBYA]
BALKAN, Suva Reka, Serbia [FRY S&M]
BALKANIJA, Belgrade, Serbia [FRY S&M]
BALM (a.k.a. BANQUE ARABE LIBYENNE MAURITANIENNE POUR LE COMMERCE EXTERIEUR ET LE DEVELOPPEMENT; a.k.a. CHINGUETTY BANK), Jamal Abdulnasser Street, P.O. Box 262, Nouakchott, Mauritania [LIBYA]
BALQEES (HNBL) RO/RO 3,985DWT Iraqi flag (State Organization for Iraq Government) (vessel) [IRAQ]
BALTEX (a.k.a. BANQUE ARABE LIBYENNE TOGOLAISE DU COMMERCE EXTERIEUR; a.k.a. SOCIETE INTERAFFRICAINE DU BANQUE), P.O. Box 4874, Lome, Togo [LIBYA]
BANCO BRASILEIRO-IRAQUIANO S.A., Praca Pio X, 54-10o Andar CEP 20091, Rio de Janeiro, Brazil (Head Office and City Branch) [IRAQ]
BANCO NACIONAL DE CUBA (a.k.a. BNC; a.k.a. NATIONAL BANK OF CUBA), Zweierstrasse 35, CH-8022 Zurich, Switzerland [CUBA]
BANCO NACIONAL DE CUBA (a.k.a. BNC; a.k.a. NATIONAL BANK OF CUBA), Avenida de Concha Espina 8, E-28036 Madrid, Spain [CUBA]
BANCO NACIONAL DE CUBA (a.k.a. BNC; a.k.a. NATIONAL BANK OF CUBA), Dai-Ichi Bldg. 6th Floor, 10-2 Nihombashi, 2-chome, Chuo-ku, Tokyo 103, Japan [CUBA]
BANCO NACIONAL DE CUBA (a.k.a. BNC; a.k.a. NATIONAL BANK OF CUBA), Federico Boyd Avenue & 51 Street, Panama City, Panama [CUBA]
BANJALUCKA BANKA d.d., Banja Luka, Bosnia-Herzegovina [FRY S&M]
BANK FOR DEVELOPMENT OF KOSOVO AND METOHIJA, all offices worldwide [FRY S&M]
BANK FOR FOREIGN TRADE AD (a.k.a. JUGOBANKA; a.k.a. JUGOBANKA d.d.; a.k.a. YUGOBANKA), all offices worldwide [FRY S&M] including, but not limited to:
- BANK FOR FOREIGN TRADE AD (a.k.a. JUGOBANKA; a.k.a. JUGOBANKA d.d.; a.k.a. YUGOBANKA), Argentinenstrasse 22/II/4-11, 1040 Vienna, Austria [FRY S&M]
- BANK FOR FOREIGN TRADE AD (a.k.a. JUGOBANKA; a.k.a. JUGOBANKA d.d.; a.k.a. YUGOBANKA), Salisbury House, First Floor (Rooms 378-379), London, EC2M5RT, England [FRY S&M]
- BANK FOR FOREIGN TRADE AD (a.k.a. JUGOBANKA; a.k.a. JUGOBANKA d.d.; a.k.a. YUGOBANKA), 25, Rue Lauriston, 75116 Paris, France [FRY S&M]
- BANK FOR FOREIGN TRADE AD (a.k.a. JUGOBANKA; a.k.a. JUGOBANKA d.d.; a.k.a. YUGOBANKA), Kurfurstenstrasse 106/II, 1000 Berlin 30, Germany [FRY S&M]
- BANK FOR FOREIGN TRADE AD (a.k.a. JUGOBANKA; a.k.a. JUGOBANKA d.d.; a.k.a. YUGOBANKA), Klosterstrasse 34/I, 4000 Dusseldorf, Germany [FRY S&M]
- BANK FOR FOREIGN TRADE AD (a.k.a. JUGOBANKA; a.k.a. JUGOBANKA d.d.; a.k.a. YUGOBANKA), Goether Strasse 2/II, 6000 Frankfurt am Main I, Germany [FRY S&M]
- BANK FOR FOREIGN TRADE AD (a.k.a. JUGOBANKA; a.k.a. JUGOBANKA d.d.; a.k.a. YUGOBANKA), Schleusenbruecke 1-4, 2000 Hamburg 36, Germany [FRY S&M]
- BANK FOR FOREIGN TRADE AD (a.k.a. JUGOBANKA; a.k.a. JUGOBANKA d.d.; a.k.a. YUGOBANKA), Georgestrasse 36/3, 3000 Hannover, Germany [FRY S&M]
- BANK FOR FOREIGN TRADE AD (a.k.a. JUGOBANKA; a.k.a. JUGOBANKA d.d.; a.k.a. YUGOBANKA), c/o BFG M-7 m No 16-17, 6800 Mannheim, Germany [FRY S&M]
- BANK FOR FOREIGN TRADE AD (a.k.a. JUGOBANKA; a.k.a. JUGOBANKA d.d.; a.k.a. YUGOBANKA), Sonnenstrasse 12/III, 8000 Munich, Germany [FRY S&M]
- BANK FOR FOREIGN TRADE AD (a.k.a. JUGOBANKA; a.k.a. JUGOBANKA d.d.; a.k.a. YUGOBANKA), Am Plaerer 2, 8500 Nuremberg, Germany [FRY S&M]
- BANK FOR FOREIGN TRADE AD (a.k.a. JUGOBANKA; a.k.a. JUGOBANKA d.d.; a.k.a. YUGOBANKA), Koenigstrasse 54/8, 7000 Stuttgart 1, Germany [FRY S&M]
- BANK FOR FOREIGN TRADE AD (a.k.a. JUGOBANKA; a.k.a. JUGOBANKA d.d.; a.k.a. YUGO-

BANKA), c/o Yugoslav Chamber of Economy, Saadoun Str., Shalen Bldg., Baghdad, Iraq [FRY S&M]
- BANK FOR FOREIGN TRADE AD (a.k.a. JUGOBANKA; a.k.a. JUGOBANKA d.d.; a.k.a. YUGOBANKA), P.O. Box 2869, Tripoli, Libya [FRY S&M]
- BANK FOR FOREIGN TRADE AD (a.k.a. JUGOBANKA; a.k.a. JUGOBANKA d.d.; a.k.a. YUGOBANKA), Singel 512, Amsterdam 1017 AX, Netherlands [FRY S&M]
- BANK FOR FOREIGN TRADE AD (a.k.a. JUGOBANKA; a.k.a. JUGOBANKA d.d.; a.k.a. YUGOBANKA), Kungsgatan 55/3, 11122 Stockholm, Sweden [FRY S&M]
- BANK FOR FOREIGN TRADE AD (a.k.a. JUGOBANKA; a.k.a. JUGOBANKA d.d.; a.k.a. YUGOBANKA), Zweierstrasse 169/1, 8003 Zurich, Switzerland [FRY S&M]

BANK FOR FOREIGN TRADE AD-SKOPJE (a.k.a. JUGOBANKA; a.k.a. JUGOBANKA d.d.; a.k.a. YUGOBANKA), Skopje, Former Yugoslav Republic of Macedonia [FRY S&M]

BANK OF VOJVODINA (a.k.a. VOJVODJANSKA BANKA, d.d.; f.k.a. VOJVODINA BANK-ASSOCIATED BANK, NOVI SAD), Serbia [FRY S&M], all offices worldwide, including, but not limited to
- BANK OF VOJVODINA (a.k.a. VOJVODJANSKA BANKA, d.d.; f.k.a. VOJVODINA BANK-ASSOCIATED BANK, NOVI SAD), P.O.Box 391, Bulevar Marsala Tita 14, 21001 Novi Sad, Vojvodina, Serbia [FRY S&M]
- BANK OF VOJVODINA (a.k.a. VOJVODJANSKA BANKA, d.d.; f.k.a. VOJVODINA BANK-ASSOCIATED BANK, NOVI SAD), Langham House, 308 Regent Street, London, W1R 5AL, England [FRY S&M]
- BANK OF VOJVODINA (a.k.a. VOJVODJANSKA BANKA, d.d.; f.k.a. VOJVODINA BANK-ASSOCIATED BANK, NOVI SAD), Kaiser Strasse 3, 6000 Frankfurt am Main, Germany [FRY S&M]

BANQUE ARABE D'AFRIQUE DU NORD [BAAN] (a.k.a. BANQUE ARABE DU NORD-BAAN, a.k.a. N.A.I.B., a.k.a. NORTH AFRICA INTERNATIONAL BANK, a.k.a. NORTH AFRICAN INTERNATIONAL BANK), P.O. Box 485, 1080 Tunis Cedex, Tunisia [LIBYA]

BANQUE ARABE D'AFRIQUE DU NORD [BAAN] (a.k.a. BANQUE ARABE DU NORD-BAAN, a.k.a. N.A.I.B.; a.k.a. NORTH AFRICA INTERNATIONAL BANK, a.k.a. NORTH AFRICAN INTERNATIONAL BANK), 25 Avenue Khereddine Pacha, Tunis, Tunisia [LIBYA]

BANQUE ARABE D'AFRIQUE DU NORD [BAAN] (a.k.a. BANQUE ARABE DU NORD-BAAN, a.k.a. N.A.I.B., a.k.a. NORTH AFRICA INTERNATIONAL BANK, a.k.a. NORTH AFRICAN INTERNATIONAL BANK), P.O. Box 102, Le Belvedere 1002 Tunis, Tunisia [LIBYA]

BANQUE ARABE D'AFRIQUE DU NORD [BAAN] (a.k.a. BANQUE ARABE DU NORD-BAAN, a.k.a. N.A.I.B., a.k.a. NORTH AFRICA INTERNATIONAL BANK, a.k.a. NORTH AFRICAN INTERNATIONAL BANK), Avenue Kheireddine Pacha 25, Tunis, Tunisia [LIBYA]

BANQUE ARABE DU NORD-BAAN (a.k.a. BANQUE ARABE D'AFRIQUE DU NORD [BAAN], a.k.a. N.A.I.B., a.k.a. NORTH AFRICA INTERNATIONAL BANK, a.k.a. NORTH AFRICAN INTERNATIONAL BANK), P.O. Box 485, 1080 Tunis Cedex, Tunisia [LIBYA]

BANQUE ARABE DU NORD-BAAN (a.k.a. BANQUE ARABE D'AFRIQUE DU NORD [BAAN], a.k.a. N.A.I.B., a.k.a. NORTH AFRICA INTERNATIONAL BANK, a.k.a. NORTH AFRICAN INTERNATIONAL BANK), Avenue Kheireddine Pacha 25, Tunis, Tunisia [LIBYA]

BANQUE ARABE DU NORD-BAAN (a.k.a. BANQUE ARABE D'AFRIQUE DU NORD [BAAN], a.k.a. N.A.I.B., a.k.a. NORTH AFRICA INTERNATIONAL BANK, a.k.a. NORTH AFRICAN INTERNATIONAL BANK), P.O. Box 102, Le Belvedere 1002 Tunis, Tunisia [LIBYA]

BANQUE ARABE DU NORD-BAAN (a.k.a. BANQUE ARABE D'AFRIQUE DU NORD [BAAN], a.k.a. N.A.I.B., a.k.a. NORTH AFRICA INTERNATIONAL BANK, a.k.a. NORTH AFRICAN INTERNATIONAL BANK), 25 Avenue Khereddine Pacha, Tunis, Tunisia [LIBYA]

BANQUE ARABE LIBYENNE BURKINABE POUR LE COMMERCE EXTERIEUR ET LE DEVELOPPEMENT, 1336 Avenue Nelson Mandela, Ouagadougou, Burkina Faso [LIBYA]

BANQUE ARABE LIBYENNE MALIENNE POUR LE COMMERCE EXTERIEUR ET LE DEVELOPPEMENT (a.k.a. BALIMA, a.k.a. BANQUE COMMERCIALE DU SAHEL; a.k.a. CHINGUETTY BANK), P.O. Box 2372, Bamako, Mali [LIBYA]

BANQUE ARABE LIBYENNE MAURITANIENNE POUR LE COMMERCE EXTERIEUR ET LE DEVELOPPEMENT (a.k.a. BALM), Jamal Abdulnasser Street, P.O. Box 262, Nouakchott, Mauritania [LIBYA]

BANQUE ARABE LIBYENNE NIGERIENNE POUR LE COMMERCE EXTERIEUR ET LE DEVELOPPEMENT (a.k.a. BALINEX, a.k.a. BANQUE COMMERCIALE DU NIGER; a.k.a. BCN), P.O. Box 11363, Niamey, Niger [LIBYA]

BANQUE ARABE LIBYENNE TOGOLAISE DU COMMERCE EXTERIEUR (a.k.a. BALTEX, a.k.a. SOCIETE INTERAFFRICAINE DU BANQUE), P.O. Box 4874, Lome, Togo [LIBYA]

BANQUE ARABE TUNISO-LIBYENNE DE DEVELOPPEMENT ET DE COMMERCE EXTERIEUR (a.k.a. B.T.L.), 25 Avenue Kheireddine Pacha, P.O. Box 102, 1002 Le Belvedere, Tunis, Tunisia [LIBYA]

BANQUE COMMERCIALE DU NIGER (a.k.a. BALINEX; a.k.a. BANQUE ARABE LIBYENNE NIGERIENNE POUR LE COMMERCE EXTERIEUR ET LE DEVELOPPEMENT, a.k.a. BCN), P.O. Box 11363, Niamey, Niger [LIBYA]

BANQUE COMMERCIALE DU SAHEL (a.k.a. BALIMA, a.k.a. BANQUE ARABE LIBYENNE MALIENNE POUR LE COMMERCE EXTERIEUR ET LE DEVELOPPEMENT), P.O. Box 2372, Bamako, Mali [LIBYA]

BANQUE FRANCO YOUGOSLAVE, Paris, France [FRY S&M]

BANQUE INTERCONTINENTALE ARABE, 67, Avenue Franklin Roosevelt, 75008 Paris, France [LIBYA]

BANQUE NATIONALE DE YOUGOSLAVIE (a.k.a. NATIONAL BANK OF YUGOSLAVIA, a.k.a. NARODNA BANKA JUGOSLAVIJE), Belgrade, Serbia [FRY S&M]

BANQUE TCHADO ARABE LIBYENNE, P.O. Box 104, N'Djamena, Chad [LIBYA]

BAR (9HSU3) Bulk Carrier 17,460GT Malta flag (Bar Overseas Shipping Ltd.) (vessel) [FRY S&M]

BAR OVERSEAS SHIPPING LTD., Valletta, Malta, c/o Rigel Shipmanagement Ltd., Second Floor, Regency House, Republic Street, Valletta, Malta [FRY S&M]

BAROON (a.k.a. ALBAHR ALARABI, f.k.a. BAHAR AL ARABI, f.k.a. SEABANK) (V3ML6) Fish/Cargo 6,953DWT Belizean flag (disputed ownership Baroon Shipping Co. Ltd., Haven Port, Gibraltar, T.L. Dallas & Co. Ltd., Bradford, England, Iraqi State Enterprise for Water Transport, Baghdad, Iraq) (vessel) [IRAQ]

BAROON SHIPPING COMPANY LIMITED, Haven Court, 5 Library Ramp, Gibraltar [IRAQ]

BASRA (YIAB) Service 2,906DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]

BASRAH (HNBS) Cargo 13,656DWT Iraqi flag (Iraqi State Enterprise for Water Transport) (vessel) [IRAQ]

BATISTA, Miguel, Panama (individual) [CUBA]

BAY INDUSTRIES, INC., 10100 Santa Monica Boulevard, Santa Monica, California, U.S.A. [IRAQ]

BAYAMO (f.k.a. NIKSIC) (9HTF3) Bulk Carrier 9,916GT Malta flag (Lovcen Overseas Shipping Ltd.) (vessel) [FRY S&M]

BCN (a.k.a. BALINEX, a.k.a. BANQUE ARABE LIBYENNE NIGERIENNE POUR LE COMMERCE EXTERIEUR ET LE DEVELOPPEMENT, a.k.a. BANQUE COMMERCIALE DU NIGER, a.k.a. BCN), P.O. Box 11363, Niamey, Niger [LIBYA]

BEGEJ SHIPYARD, Temisvarski drum bb, 23000 Zrenjanin, Serbia [FRY S&M]

BEKO, Bulevar Vojvode Bojovica 6-8, 11000 Belgrade, Serbia [FRY S&M]

BELGRADE-PREDUZECE ROBNIH KUCA, Belgrade, Serbia [FRY S&M]

BELGRADE RAILROAD TRANSPORTATION ORGANIZATION (a.k.a. ZELEZNICKO TRANSPORTNO PREDUZECE BEOGRAD), Belgrade, Serbia [FRY S&M]

BELMEX IMPORT EXPORT CO., LTD., 24 Corner Regent and Kings Streets, Belize City, Belize [CUBA]

BENGHAZI CEMENT PLANT, Libya [LIBYA]

BENGHAZI EST. FOR BUILDING AND CONSTRUCTION, P.O. Box 2118, Benghazi, Libya [LIBYA]

BENGHAZI LIME PLANT, Libya [LIBYA]

BENGHAZI PAPER BAGS PLANT, Libya [LIBYA]

BENGHAZI TANNERY, Libya [LIBYA]

BEOBANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOGRADSKA BANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), all offices worldwide [FRY S&M] including, but not limited to
- BEOBANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOGRADSKA BANKA d.d., a.k.a. UDRUZENA BEOGRADSKA BANKA), 40 Rue de l'Ecuyer, BTE 8, 1000 Brussels, Belgium [FRY S&M]
- BEOBANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOGRADSKA BANKA d.d., a.k.a. UDRUZENA BEOGRADSKA BANKA), Przedstawicielstwo, Aleje Roz 5, Warsaw, Poland [FRY S&M]
- BEOBANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK, a.k.a. BEOGRADSKA BANKA d.d., a.k.a. UDRUZENA BEOGRADSKA BANKA), Karlstrasse 31, 4000 Dusseldorf 1, Germany [FRY S&M]
- BEOBANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK, a.k.a. BEOGRADSKA BANKA d.d., a.k.a. UDRUZENA BEOGRADSKA BANKA), Sokolovska 93/2p, Prague 8-Karlin, Czech Republic [FRY S&M]
- BEOBANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK, a.k.a. BEOGRADSKA BANKA d.d., a.k.a. UDRUZENA BEOGRADSKA BANKA), Drokstre Str. 14-16, 3000 Hannover 1, Germany [FRY S&M]
- BEOBANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOGRADSKA BANKA d.d., a.k.a. UDRUZENA BEOGRADSKA BANKA), Sonnenstrasse 12/III, 8000 Munich 2, Germany [FRY S&M]
- BEOBANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOGRADSKA BANKA d.d., a.k.a. UDRUZENA BEOGRADSKA BANKA), 85-93/IV Zeil, 6000 Frankfurt am Main, Germany [FRY S&M]
- BEOBANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOGRADSKA BANKA d.d., a.k.a. UDRUZENA BEOGRADSKA BANKA), 108 Fenchurch Street, London LEC 3M 5 JJ, England [FRY S&M]
- BEOBANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK, a.k.a. BEOGRADSKA BANKA d.d., a.k.a. UDRUZENA BEOGRADSKA BANKA), Alt Moabit 74, 1000 Berlin 21, Germany [FRY S&M]
- BEOBANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK, a.k.a. BEOGRADSKA BANKA d.d., a.k.a. UDRUZENA BEOGRADSKA BANKA), Landestrasse-Hauptstrasse 1/III, 1030 Vienna, Austria [FRY S&M]
- BEOBANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK, a.k.a. BEOGRADSKA BANKA d.d., a.k.a. UDRUZENA BEOGRADSKA BANKA), P.O. Box 2869, Tripoli, Libya [FRY S&M]
- BEOBANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK, a.k.a. BEOGRADSKA BANKA d.d., a.k.a. UDRUZENA BEOGRADSKA BANKA), Tubingerstrasse 72, 7000 Stuttgart 1, Germany [FRY S&M]
- BEOBANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK, a.k.a. BEOGRADSKA BANKA d.d., a.k.a. UDRUZENA BEOGRADSKA BANKA), P.O. Box 3502, Harrare, Zimbabwe [FRY S&M]
- BEOBANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK, a.k.a. BEOGRADSKA BANKA d.d., a.k.a. UDRUZENA BEOGRADSKA BANKA), Damrak 28-30/IV, Amsterdam, Netherlands [FRY S&M]
- BEOBANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK, a.k.a. BEOGRADSKA BANKA

d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), 38 Rue Ali Azil, Algiers, Algeria [FRY S&M]
- BEOBANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOGRADSKA BANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), 71 Avenue des Champs-Elysees, 75008 Paris, France [FRY S&M]
- BEOBANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOGRADSKA BANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), Kleine Budergasse 13, 5000 Koln 1, Germany [FRY S&M]
- BEOBANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOGRADSKA BANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), Piazza Velasca 5, Milan, Italy [FRY S&M]
- BEOBANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOGRADSKA BANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), Uranis Strasse 14/III, 8001 Zurich, Switzerland [FRY S&M]
- BEOBANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOGRADSKA BANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), Kungsgatan 32/VI, P.O. Box 7592, 10393 Stockholm, Sweden [FRY S&M]
- BEOBANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOGRADSKA BANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), Lange Reihe 66, 2000 Hamburg 1, Germany [FRY S&M]

BEOCINASKA FABRIKA CEMENTA, Trg Ive Lole Ribara 1, 21300 Beocin, Serbia [FRY S&M]
BEOGRAD (n.k.a. MARIEL) (9HSV3) Bulk Carrier 15,396GT Malta Flag (Lovcen Overseas Shipping Ltd.) (vessel) [FRY S&M]
BEOGRAD AGRICULTURAL COMPLEX PKB, 11213 Padinska Skela, Belgrade, Serbia [FRY S&M]
BEOGRAD-PREDUZECE ZA UPRAVA ELEKTROENERGICNIK SISTEMA, Belgrade, Serbia [FRY S&M]
BEOGRADSKA BANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA, d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), all offices worldwide [FRY S&M] including, but not limited to

- BEOGRADSKA BANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), Kungsgaten 32/VI, P.O. Box 7592, 10393 Stockholm, Sweden [FRY S&M]
- BEOGRADSKA BANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), Alt Moabit 74, 1000 Berlin 21, Germany [FRY S&M]
- BEOGRADSKA BANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), Sokolovska 93/2p, Prague 8-Karlin, Czech Republic [FRY S&M]
- BEOGRADSKA BANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), 40 Rue de l'Ecuyer, BTE 8, 1000 Brussels, Belgium [FRY S&M]
- BEOGRADSKA BANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), Karlstrasse 31, 4000 Dusseldorf 1, Germany [FRY S&M]
- BEOGRADSKA BANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), Przedstawicielstwo, Aleje Roz 5, Warsaw, Poland [FRY S&M]
- BEOGRADSKA BANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), 108 Fenchurch Street, London LEC 3M 5 JJ England [FRY S&M]
- BEOGRADSKA BANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), Lange Reihe 66, 2000 Hamburg 1, Germany [FRY S&M]
- BEOGRADSKA BANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), 85-93/IV Zeil, 6000 Frankfurt am Main, Germany [FRY S&M]
- BEOGRADSKA BANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), Landestrasse-Hauptstrasse 1/III, 1030 Vienna, Austria [FRY S&M]
- BEOGRADSKA BANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), Sonnenstrasse 12/III, 8000 Munich 2, Germany [FRY S&M]
- BEOGRADSKA BANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), Drokstre Str. 14-16, 3000 Hannover 1, Germany [FRY S&M]
- BEOGRADSKA BANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), P.O. Box 3502, Harrare, Zimbabwe [FRY S&M]
- BEOGRADSKA BANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), Damrak 28-30/IV, Amsterdam, Netherlands [FRY S&M]
- BEOGRADSKA BANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), 38 Rue Ali Azil, Algiers, Algeria [FRY S&M]
- BEOGRADSKA BANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), P.O. Box 2869, Tripoli, Libya [FRY S&M]
- BEOGRADSKA BANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), Tubingerstrasse 72, 7000 Stuttgart 1, Germany [FRY S&M]
- BEOGRADSKA BANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), Piazza Velasca 5, Milan, Italy [FRY S&M]
- BEOGRADSKA BANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), 71 Avenue des Champs-Elysees, 75008 Paris, France [FRY S&M]
- BEOGRADSKA BANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), Uranis Strasse 14/III, 8001 Zurich, Switzerland [FRY S&M]
- BEOGRADSKA BANKA d.d. (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. UDRUZENA BEOGRADSKA BANKA), Kleine Budergasse 13, 5000 Koln 1, Germany [FRY S&M]

BEOGRADSKA CYPRUS OFFSHORE BANKING UNIT (COBU), Nicosia, Cyprus [FRY S&M]
BEOGRADSKA PLOVIDBA (a.k.a. BEOPLOV), Lenjinov Bulevar 165A, 11070 Novi Beograd, Serbia [FRY S&M]
BEOMEDICINA, Belgrade, Serbia [FRY S&M]
BEOMEDICINA, Vojislava Ilica 145, 11000 Belgrade, Serbia [FRY S&M]
BEOPLOV (a.k.a. BEOGRADSKA PLOVIDBA), Lenjinov Bulevar 165A, 11070 Novi Beograd, Serbia [FRY S&M]
BERRUIEN, Dr. Nuri Abdalla, c/o ARABIAN GULF OIL COMPANY, P.O. Box 263, Benghazi, Libya, DOB 18 Mar 46 (individual) [LIBYA]
BETTINA SHIPPING CO., Ltd., Valletta, Malta [CUBA]
BEWELL CORPORATION, INC., Panama [CUBA]
BIG ARENA (a.k.a. BIGARENA TRADING LTD.), 21 Kosta Ourani St., P.O. Box 7001, Limassol, Cyprus [FRY S&M]
BIG ARENA TRADING LTD. (a.k.a. BIGARENA TRADING LTD.), Moscow, Russia [FRY S&M]
BIGARENA TRADING LTD. (a.k.a. BIG ARENA), 21 Kosta Ourani St., P.O. Box 7001, Limassol, Cyprus [FRY S&M]
BIGARENA TRADING LTD. (a.k.a. BIG ARENA TRADING LTD.), Moscow, Russia [FRY S&M]
BIJELO POLJE (n.k.a. C. BLANCO) (9HSW3) Bulk Carrier 17,460GT Malta Flag (Bar Overseas Shipping Ltd.) (vessel) [FRY S&M]
BIMEL LIMITED, Cyprus [FRY S&M]
BINGO FRANCE (n.k.a. SIMPO FRANCE), 28 Rue du Puits Dixmes Sennia 606, 94320 Thiais-CEDEX, France [FRY S&M]
BIP, Bulevar Vojvode Putnika 5, 11000 Belgrade, Serbia [FRY S&M]
BJELASICA, Bijelo Polje, Serbia [FRY S&M]
BJELOJEVIC, Dragomir; Deputy in SRBH Assembly; Pale, Bosnia-Herzegovina (individual) [SRBH]
BLACK SEPTEMBER (a.k.a. ANO; a.k.a. ABU NIDAL ORGANIZATION; a.k.a. FATAH REVOLUTIONARY COUNCIL; a.k.a. ARAB REVOLUTIONARY COUNCIL; a.k.a. ARAB REVOLUTIONARY BRIGADES; a.k.a. REVOLUTIONARY ORGANIZATION OF SOCIALIST MUSLIMS), Libya; Lebanon; Algeria; Sudan; Iraq [SDT]
BLAGOJEVIC, Predrag; Diplomat for SRBH; Bosnia-Herzegovina (individual) [SRBH]
BLAGOJEVIC, Stanko; Deputy in SRBH Assembly, Bosnia-Herzegovina (individual) [SRBH]
BNC (a.k.a. BANCO NACIONAL DE CUBA; a.k.a. NATIONAL BANK OF CUBA) Avenida de Concha Espina 8, E-28036 Madrid, Spain [CUBA]
BNC (a.k.a. BANCO NACIONAL DE CUBA; a.k.a. NATIONAL BANK OF CUBA) Zweierstrasse 35, CH-8022 Zurich, Switzerland [CUBA]
BNC (a.k.a. BANCO NACIONAL DE CUBA; a.k.a. NATIONAL BANK OF CUBA) Federico Boyd Avenue & 51 Street, Panama City, Panama [CUBA]
BNC (a.k.a. BANCO NACIONAL DE CUBA; a.k.a. NATIONAL BANK OF CUBA) Dai-Ichi Bldg. 6th Floor, 10-2 Nihombashi, 2-chome, Chuo-ku, Tokyo 103, Japan [Cuba]
BOILEAU, Pierre, 1078 Rue Champigny, Duvernay, Quebec, Canada (individual) [CUBA]
BOJANA, Cetinje, Montenegro [FRY S&M]
BOKA (n.k.a. KING LION; f.k.a. HANUMAN) (9HUQ3) General Dry Cargo 13,688GT Malta Flag (Worldwide Ocean Chartering Group [South Adriatic Bulk Shipping Ltd.]) (vessel) [FRY S&M]
BOKA, Herceg Novi, Montenegro [FRY S&M]
BOKA OCEAN SHIPPING CORPORATION, Monrovia, Liberia, c/o Jugoslavenska Oceanska Plovidba BB, Njegoseva, P.O. Box 18, 85330 Kotor, Montenegro [FRY S&M]
BORIC, Grujo; Major General and Commander, Second Krajina Corps, SRBH Forces, based at Drvar; Bosnia-Herzegovina (individual) [SRBH]
BORKOVIC, Ratko; Deputy in SRBH Assembly; Bosnia-Herzegovina (individual) [SRBH]
BOROJEVIC, Slobodan; Colonel and Commander, Eleventh Infantry Brigade, First Krajina Corps, SRBH Forces; Bosnia-Herzegovina (individual) [SRBH]
BOR-TOPIONICA I RAFINERIJA BAKRA, Bor, Serbia [FRY S&M]
BORTOLOTTI (a.k.a. A. BORTOLOTTI & CO. S.P.A.), Via Predore, 59, 24067 Sarnico, Bergamo, Italy [LIBYA]
BORTOLOTTI (a.k.a. A. BORTOLOTTI & CO. S.P.A.), Cremona, Italy [LIBYA]
BOSIC, Boro; Minister of Industry and Energy of SRBH, Bosnia-Herzegovina (individual) [SRBH]
BOUTIQUE LA MAISON, 42 Via Brasil, Panama City, Panama [CUBA]
BRACA KARIC COMPANY (a.k.a. B K COMPANY, a.k.a. B K HOLDING; a.k.a. BRACE KARIC COMPANY; a.k.a. BRACA KARIC TRADE COMPANY, a.k.a. KARIC BROTHERS HOLDING), Palmira Toljatija 3, 11070 Novi Beograd, Serbia, and all affiliated companies worldwide [FRY S&M]
BRACA KARIC COMPANY, 109004 Uyanovskaya 40/22 stroyenie 1, Moscow, Russia [FRY S&M]
BRACA KARIC TRADE COMPANY (a.k.a. B K COMPANY; a.k.a. B K HOLDING; a.k.a. BRACA KARIC COMPANY; a.k.a. BRACE KARIC COMPANY; a.k.a. KARIC BROTHERS HOLDING), Palmira Toljatija 3, 11070 Novi Beograd, Serbia, and all affiliated companies worldwide [FRY S&M]
BRACE KARIC COMPANY (a.k.a. B K COMPANY, a.k.a. B K HOLDING; a.k.a. BRACA KARIC COMPANY; a.k.a. BRACA KARIC TRADE COMPANY, a.k.a. KARIC BROTHERS HOLDING), Palmira Toljatija 3, 11070 Novi Beograd, Serbia, and all affiliated companies worldwide [FRY S&M]

BRADFIELD MARITIME CORP., Inc., Panama [CUBA]
BRDZANIN, Radoslav (a.k.a. BRDJANIN, Radoslav); Minister of Housing and Building of SRBH; POB Celinac Donji, Bosnia-Herzegovina, Bosnia-Herzegovina (individual) [SRBH]
BRDJANIN, Radoslav (a.k.a. BRDZANIN, Radoslav); Minister of Housing and Building of SRBH; POB Celinac Donji, Bosnia-Herzegovina, Bosnia-Herzegovina (individual) [SRBH]
BREGA INTERNATIONAL MARKETING COMPANY, Al Nassar Street, P.O. Box 4768, Tripoli, Libya [LIBYA]
BREGA PETROLEUM MARKETING COMPANY, Alnaser Street, P.O. Box 402, Tripoli, Libya [LIBYA]
BREGA PETROLEUM MARKETING COMPANY, Azzawiya Km. 50, P.O. Box 402, Tripoli, Libya [LIBYA]
BREGA PETROLEUM MARKETING COMPANY, P.O. Box 1278, Benghazi, Libya [LIBYA]
BREGA PETROLEUM MARKETING COMPANY, Sayedi Street, P.O. Box 402, Tripoli, Libya [LIBYA]
BRISA (f.k.a. IVANGRAD) (9HTB3) General Dry Cargo 13,651GT Malta Flag (Oktoih Overseas Shipping Ltd) (vessel) [FRY S&M]
BRODOGRADILISTE NOVI SAD, Kamenicka ada 1, 21000 Novi Sad, Serbia [FRY S&M]
BRODOIMPEX, Belgrade, Serbia [FRY S&M]
BUDVA (9HUH3) Bulk Carrier 17,397GT Malta Flag (South Adriatic Bulk Shipping Ltd.) (vessel) [FRY S&M]
BUDVANSKA RIVIJERA, Budva, Montenegro [FRY S&M]
BUHA, Dr. Aleksa; Foreign Minister of SRBH, DOB 21 Nov 39; POB Gacko, Bosnia-Herzegovina, Bosnia-Herzegovina (individual) [SRBH]
BUHLER, Bruno, 57 Rue du Rhone, CH-1204 Geneva, Switzerland (individual) [IRAQ]
BULK STAR (f.k.a. JUGOMETAL) (J8FN8) Ore/Bulk/Oil Carrier 79,279GT Saint Vincent Flag (Litalia Shipping S.A.) (vessel) [FRY S&M]
BUNDALO, Ratko, Colonel and Commander, First Combined Antitank Artillery Brigade, First Krajina Corps, SRBH Forces, Bosnia-Herzegovina (individual) [SRBH]
BURGAN INTERNATIONAL, Kuwait [CUBA]
BUSENTI, Marcantonio (a.k.a. BUSENTI, Marcello) Via Alatri 14, Rome, Italy, DOB 30 May 38 (individual) [LIBYA]
BUSENTI, Marcello (a.k.a. BUSENTI, Marcantonio) Via Alatri 14, Rome, Italy, DOB 30 May 38 (individual) [LIBYA]
BUSHWESHA, Abdullah (individual) [LIBYA]
BUZURGAN (HNBR) Tanker 36,400DWT Iraqi flag (Iraqi Oil Tankers Company) (vessel) [IRAQ]
BYE LTD., Morley House, 314-322 Regent Street, London W1R 5AE, England [FRY S&M]
C BLANCO (f.k.a. BIJELO POLJE) (9HSW3) Bulk Carrier 17,460GT Malta Flag (Bar Overseas Shipping Ltd.) (vessel) [FRY S&M]
CABALLERO, Roger Montanes (a.k.a. Roger MONTANES, a.k.a. Roger Edward DOOLEY), Panama (individual) [CUBA]
CALTRAM (a.k.a. COMPAGNIE ALGERO-LIBYENNE DE TRANSPORT MARITIME), 21 Rue des Freres Bouadou, Birmandreis, Algiers, Algeria [LIBYA]
CANAPEL, S.A., Panama [CUBA]
CANNED FRUIT AND VEGETABLE PRODUCTION OF PROKUPLJE (a.k.a. HISAR - FABRIKA ZA PRERADU VOCA I POVRCA), Prokuplje, Serbia [FRY S&M]
CARBONICA, S.A., Panama [CUBA]
CARIBBEAN EXPORT ENTERPRISE (a.k.a. CARIBEX; a.k.a. EMPRESA CUBANA DE PESCADOS Y MARISCOS) Paris, France [CUBA]
CARIBBEAN EXPORT ENTERPRISE (a.k.a. CARIBEX; a.k.a. EMPRESA CUBANA DE PESCADOS Y MARISCOS) Downsview, Ontario, Canada [CUBA]
CARIBBEAN EXPORT ENTERPRISE (a.k.a. CARIBEX; a.k.a. EMPRESA CUBANA DE PESCADOS Y MARISCOS) Cologne, Germany [CUBA]
CARIBBEAN EXPORT ENTERPRISE (a.k.a. CARIBEX; a.k.a. EMPRESA CUBANA DE PESCADOS Y MARISCOS) Tokyo, Japan [CUBA]
CARIBBEAN EXPORT ENTERPRISE (a.k.a. CARIBEX; a.k.a. EMPRESA CUBANA DE PESCADOS Y MARISCOS) Madrid, Spain [CUBA]
CARIBBEAN EXPORT ENTERPRISE (a.k.a. CARIBEX; a.k.a. EMPRESA CUBANA DE PESCADOS Y MARISCOS) Moscow, Russia [CUBA]
CARIBBEAN EXPORT ENTERPRISE (a.k.a. CARIBEX; a.k.a. EMPRESA CUBANA DE PESCADOS Y MARISCOS) Milan, Italy [CUBA]
CARIBBEAN HAPPY LINES (a.k.a. CARIBBEAN HAPPY LINES CO.), Panama [CUBA]
CARIBBEAN PRINCESS (Caribbean Princess Shipping, Cyprus) (vessel) [CUBA]
CARIBBEAN PRINCESS SHIPPING, LTD., Limassol, Cyprus [CUBA]
CARIBBEAN QUEEN (Caribbean Queen Shipping, Cyprus) (vessel) [CUBA]
CARIBBEAN QUEEN SHIPPING LTD., Limassol, Cyprus [CUBA]
CARIBBEAN SALVOR (Antillana Salvage Co. Ltd., Malta) (vessel) [CUBA]
CARIBERIA, S.A., Spain [CUBA]
CARIBEX (a.k.a. CARIBBEAN EXPORT ENTERPRISE; a.k.a. EMPRESA CUBANA DE PESCADOS Y MARISCOS) Milan, Italy [CUBA]
CARIBEX (a.k.a. CARIBBEAN EXPORT ENTERPRISE; a.k.a. EMPRESA CUBANA DE PESCADOS Y MARISCOS) Moscow, Russia [CUBA]
CARIBEX (a.k.a. CARIBBEAN EXPORT ENTERPRISE; a.k.a. EMPRESA CUBANA DE PESCADOS Y MARISCOS) Downsview, Ontario, Canada [CUBA]
CARIBEX (a.k.a. CARIBBEAN EXPORT ENTERPRISE; a.k.a. EMPRESA CUBANA DE PESCADOS Y MARISCOS) Cologne, Germany [CUBA]
CARIBEX (a.k.a. CARIBBEAN EXPORT ENTERPRISE; a.k.a. EMPRESA CUBANA DE PESCADOS Y MARISCOS) Tokyo, Japan [CUBA]
CARIBEX (a.k.a. CARIBBEAN EXPORT ENTERPRISE; a.k.a. EMPRESA CUBANA DE PESCADOS Y MARISCOS) Paris, France [CUBA]
CARIBEX (a.k.a. CARIBBEAN EXPORT ENTERPRISE; a.k.a. EMPRESA CUBANA DE PESCADOS Y MARISCOS) Madrid, Spain [CUBA]
CARIBSUGAR INTERNATIONAL TRADERS, S.A., 125-133 Camden High Street, London, NW1 7JR, England [CUBA]
CARIBSUGAR, S.A., Panama [CUBA]
CARISUB, S.A., Panama [CUBA]
CASA DE CUBA, Mexico, Spain [CUBA]
CASA DEL REPUESTO, Panama City, Panama [CUBA]
CASABLANCA (Epamac Shipping Co., Ltd., Malta) (vessel) [CUBA]
CASTELL, Osvaldo Antonio (VALDEZ), Panama (individual) [CUBA]
CECOEX, S.A., Panama City, Panama [CUBA]
CENTRAL BANK OF LIBYA, Al-Fatah Street, P.O. Box 1103, Tripoli, Libya [LIBYA]
CENTRAL BANK OF LIBYA, Benghazi, Libya [LIBYA]
CENTRAL BANK OF LIBYA, Sebha, Libya [LIBYA]
CENTRAL COMMERZ CONSULTING ENGINEERING TRADING GMBH, Zeppelinallee 71, 6000 Frankfurt 90, Germany [FRY S&M]
CENTROCOOP (a.k.a. CENTROCOOP EXPORT-IMPORT ENTERPRISE), [FRY S&M]
CENTROCOOP - BELKAMEN, Kavadarci, Serbia [FRY S&M]
CENTROCOOP EXPORT-IMPORT ENTERPRISE (a.k.a. CENTROCOOP), [FRY S&M]
CENTROCOOP FRANCE EXPORT IMPORT, 31 Rue St Ferdinand, 75017 Paris, France [FRY S&M]
CENTROCOOP GMBH, Winkelsfelderstrasse 21, 4000 Dusseldorf 30, Germany [FRY S&M]
CENTROCOOP - HLADNJACA BAR, Bar, Montenegro [FRY S&M]
CENTROCOOP - INVEST, Belgrade, Serbia [FRY S&M]
CENTROCOOP ITALIANA (branch office), c/o Intex Srl, Via Della Greppa 4, 34100 Trieste, Italy [FRY S&M]
CENTROCOOP ITALIANA, Via Vitruvio 43, 20124 Milan, Italy [FRY S&M]
CENTROCOOP LTD., 162-168 Regent Street, London W1 5TB, England [FRY S&M]
CENTROCOOP PRAGUE, Gorkeho N16, Prague, Czech Republic [FRY S&M]
CENTROCOOP - PROIZVODNJA, Belgrade, Serbia [FRY S&M]
CENTROCOOP WARSAW, Warsaw, Poland [FRY S&M]
CENTROEXPORT, Belgrade, Serbia [FRY S&M]
CENTROMARKET, Belgrade, Serbia [FRY S&M]
CENTROPRODUCT (a.k.a. YUGOTOURS), Eisenberg Business Center, House Asia, Tel Aviv, Israel [FRY S&M]
CENTROPRODUCT, BARI (a.k.a. YUGOTOURS), Via Principe Amedeo 25, 70121 Bari, Italy [FRY S&M]
CENTROPRODUCT HELLAS S.A.R.L., Xanthou 5, Kolonaki Square, Athens 10673, Greece [FRY S&M]
CENTROPRODUCT, ROME (a.k.a. YUGOTOURS), Via Bissolati 76, 00187, Rome, Italy [FRY S&M]
CENTROPRODUCT S.A., c/Orense 85, Esc. IV, 4A, Madrid, Spain 28020 [FRY S&M]
CENTROPRODUCT, S.A.R.L. (a.k.a. YUGOTOURS S.A.R.L.), 39 avenue de Friedland, 75008 Paris, France [FRY S&M]
CENTROPRODUCT S.R.L. (a.k.a. YUGOTOURS), Via Agnello 2, 20121 Milan, Italy [FRY S&M]
CENTROPRODUCT, TRIESTE, Via Fabrio Filzi 10, Trieste, Italy [FRY S&M]
CENTROPROJEKT, Belgrade, Serbia [FRY S&M]
CENTROPROM, Knez Mihailova 20, 11000 Belgrade, Serbia [FRY S&M]
CENTROSLAVIJA, Novi Sad, Vojvodina (Serbia) [FRY S&M]
CENTROTEKSTIL, Belgrade, Serbia [FRY S&M]
CENTROTEXTIL AUSSENHANDELS GMBH, Hochstrasse 48, 6000 Frankfurt am Main, Germany [FRY S&M]
CENTROTEXTIL AUSSENHANDELS GMBH, Karlstrasse 60, 8000 Munich, Germany [FRY S&M]
CENTROTEXTIL INC., New York, NY, U.S.A. [FRY S&M]
CESTAR (Unknown) RO/RO Cargo/Ferry 121GT Yugoslavia Flag (Mostogradnja - Gradjevno Preduzece) (vessel) [FRY S&M]
CETINJE (n.k.a. PLAYA) (9HSY3) Bulk Carrier 9,028GT Malta Flag (Lovcen Overseas Shipping Ltd.) (vessel) [FRY S&M]
CHAMBER OF ECONOMY OF MONTENEGRO (a.k.a. PRIVREDNA KOMORA CRNE GORE), Podgorica, Montenegro [FRY S&M]
CHAMBER OF ECONOMY OF SERBIA (a.k.a. PRIVREDNA KOMORA SRBIJE), Belgrade, Serbia [FRY S&M]
CHAMBER OF ECONOMY OF YUGOSLAVIA (a.k.a. PRIVREDNA KOMORA JUGOSLAVIJE), Belgrade, Serbia [FRY S&M]
CHAMET IMPORT, S.A., Panama [CUBA]
CHAO, Lazaro R., Executive Director, Havana International Bank, 20 Ironmonger Lane, London EC2V 8EY, England (individual) [CUBA]
CHARALAMBIDES, Kypros, Cyprus (individual) [LIBYA]
CHEMPETROL (a.k.a. CHEMPETROL INTERNATIONAL), 145, Flat 9, Tower Road, Sliema, Malta [LIBYA]
CHEMPETROL INTERNATIONAL (a.k.a. CHEMPETROL), 145, Flat 9, Tower Road, Sliema, Malta [LIBYA]
CHEMPETROL INTERNATIONAL LTD., 28 Lincoln's Inn Fields, London WC2A 3HH, England [LIBYA]
CHEMPETROL INTERNATIONAL LTD., 5th Floor, Quality Court, Chancery Lane, London WC2A 1HP, England [LIBYA]
CHESA, I., Bd. Magheru 24 et III, AP. 18, Sector 1, Bucharest, Romania (address of EAST POINT HOLDINGS) (individual) [FRY S&M]
CHINGUETTY BANK (a.k.a. BALM; BANQUE ARABE LIBYENNE MAURITANIENNE POUR LE COMMERCE EXTERIEUR ET LE DEVELOPPEMENT), Jamal Abdulnasser Street, P.O. Box 262, Nouakchott, Mauritania [LIBYA]
CHOSUNBOHOM (a.k.a. KOREA FOREIGN INSURANCE COMPANY), 1080 Berlin Glinkastrasse 5, Germany [NKOREA]
CHOSUNBOHOM (a.k.a. KOREA FOREIGN INSURANCE COMPANY), 123, Rue des Ten-

nerolles, 92210 Saint-Cloud, Paris, France [NKOREA]
CHOSUNBOHOM (a.k.a. KOREA FOREIGN INSURANCE COMPANY), Unt. Batterieweg 35, CH-4008 Basel, Switzerland [NKOREA]
CICALA, Andrea, Piazza Liberty No. 8, 20131 Milan, Italy (address of EAST POINT HOLDINGS) (individual) [FRY S&M]
CICLON (Senanque Shipping Co., Ltd., Cyprus) (vessel) [CUBA]
CIDECO (a.k.a. CORPORACION IBEROAMERICANA DEL COMERCIO), Spain [CUBA]
CIMECO, SRL, Milan, Italy [CUBA]
CIMEX (a.k.a. COMPANIA DE IMPORTACION Y EXPORTACION IBERIA), Spain [CUBA]
CIMEX, Emerson No. 148 Piso 7, 11570 Mexico, D.F. [CUBA]
CIMEX IBERICA, Spain [CUBA]
CIMEX, S.A., Panama [CUBA]
CINEX, Singerstrasse 2/8, 1010 Vienna, Austria [FRY S&M]
CIVIL AVIATION AUTHORITY, Sharia El Saidi, Tripoli, Libya [LIBYA]
COIBA (a.k.a. COMERCIAL IBEROAMERICANA, S.A.), Spain [CUBA]
COLL, Gabriel (PRADO), Panama (individual) [CUBA]
COLLOMBEY REFINERY (a.k.a. RSO; a.k.a. RAFFINERIE DU SUD-OUEST), Collombey, Valais, Switzerland [LIBYA]
COLON, Eduardo (BETANCOURT), Panama (individual) [CUBA]
COLONY TRADING, S.A., Panama [CUBA]
COMBICK AUSSENHANDELS GMBH, all offices worldwide, including, but not limited to:
- COMBICK AUSSENHANDELS GMBH, Luisenstrasse 46, 1040 Berlin, Germany [FRY S&M]
- COMBICK AUSSENHANDELS GMBH, Thalkirchenerstrasse 2, 8000 Munich, Germany [FRY S&M]
- COMBICK AUSSENHANDELS GMBH, Windmuehlstrasse 1, D-6000, Frankfurt am Main, Germany [FRY S&M]

COMBICK GMBH, Neuer Markt 1, 1010 Vienna, Austria [FRY S&M]
COMBICK GMBH, Post Office Box 322079, Militaerstrasse 90, 8004 Zurich, Switzerland [FRY S&M]
COMEI, SPA (a.k.a. COMPAGNIA MERCANTILE INTERNAZIONALE), Milan, Italy [CUBA]
COMERCIAL CIMEX, S.A., Panama [CUBA]
COMERCIAL DE RODAJES Y MAQUINARIA, S.A. (a.k.a. CRYMSA), Jose Lazaro Galdeano 6-6, 28016 Madrid, Spain [CUBA]
COMERCIAL IBEROAMERICANA, S.A. (COIBA), Spain [CUBA]
COMERCIAL MURALLA, S.A. (a.k.a. MURALLA, S.A.), Panama City, Panama [CUBA]
COMERCIALIZACION DE PRODUCTOS VARIOS (a.k.a. COPROVA; a.k.a. COPROVA SARL), Paris, France [CUBA]
COMPAGNIA MERCANTILE INTERNAZIONALE (a.k.a. COMEI SPA), Milan, Italy [CUBA]
COMPAGNIE ALGERO-LIBYENNE DE TRANSPORT MARITIME (a.k.a. CALTRAM), 21 Rue des Freres Bouadou, Bir mandreis, Algiers, Algeria [LIBYA]
COMPANIA DE COALICION DEL COMERCIO DE COREA, S.A., Panama [NKOREA]
COMPANIA DE IMPORTACION Y EXPORTACION IBERIA (a.k.a. CIMEX), Spain [CUBA]
COMPANIA FENIX INTERNACIONAL, S.A., Caracas, Venezuela [CUBA]
COMPANIA PESQUERA INTERNACIONAL, S.A., Panama [CUBA]
COMPRESSED LEATHER BOARD FIBRE PLANT, Tajoura, Libya [LIBYA]
CONTEX, S.A., Panama [CUBA]
CONTRERAS, Mina (a.k.a. Mina Contreras ROPERT), Paris, France (individual) [CUBA]
CONTROLBANK, all offices worldwide [FRY S&M]
COOBAR, Hadi N., Manama, Bahrain (individual) [LIBYA]
COOBAR, Hadi N., Tripoli, Libya (individual) [LIBYA]
COOPERATIVE PODGORICA, Podgorica, Montenegro [FRY S&M]
COOPEX, Vienna, Austria [FRY S&M]
COPIA, S.A. (a.k.a. CORPORACION ARGENTINA DE INGENIERIA Y ARQUITECTURA, S.A.), San Martin 323, 4th Floor, Buenos Aires, Argentina [CUBA]
COPROVA (a.k.a. COPROVA SARL; a.k.a. COMERCIALIZACION DE PRODUCTOS VARIOS), Paris, France [CUBA]
COPROVA SARL (a.k.a. COPROVA; a.k.a. COMERCIALIZACION DE PRODUCTOS VARIOS), Paris, France [CUBA]
CORINTHIA GROUP OF COMPANIES, Head Office, 22, Europa Centre, Floriana, Malta [LIBYA]
CORINTHIA PALACE HOTEL COMPANY LIMITED, De Paula Avenue, Attard, Malta [LIBYA]
CORPORACION ARGENTINA DE INGENIERIA Y ARQUITECTURA, S.A. (a.k.a. COPIA), San Martin 323, 4th Floor, Buenos Aires, Argentina [CUBA]
CORPORACION CIMEX, S.A., Panama [CUBA]
CORPORACION IBEROAMERICANA DEL COMERCIO (a.k.a. CIDECO), Spain [CUBA]
COTEI, Milan, Italy [CUBA]
COTRA BV, J Luykenstraat 12 3HG, 1071 CM Amsterdam, Netherlands [FRY S&M]
COTTY (Heywood Navigation Corp., Panama) (vessel) [CUBA]
CREDIBEL, all offices worldwide [FRY S&M]
CRIOLLO (Senanque Shipping Co., Ltd., Cyprus) (vessel) [CUBA]
CRNA GORA (9HUL3) Bulk Carrier 36,223GT Malta Flag (Zeta Ocean Shipping Ltd.) (vessel) [FRY S&M]
CRNA GORA - NIKSIC, Niksic, Montenegro [FRY S&M]
CRNAGORACOOP, Danilovgrad, Montenegro [FRY S&M]
CRUZ, Antonio Pedro (REYES), Milan, Italy (individual) [CUBA]
CRUZ, Juan M. de la, Director, Banco Nacional de Cuba, Dai-Ichi Bldg. 6th Floor, 10-2 Nihombashi, 2-chome, Chuo-ku, Tokyo 103, Japan (individual) [CUBA]
CRYMSA (a.k.a. COMERCIAL DE RODAJES Y MAQUINARIA, S.A.), Jose Lazaro Galdeano 6-6, 28016 Madrid, Spain [CUBA]
CRYMSA - ARGENTINA, S.A., Buenos Aires, Argentina [CUBA]
CUBACANCUN CIGARS AND GIFT SHOPS, Cancun, Mexico [CUBA]
CUBAEXPORT, Spain [CUBA]
CUBAFRUTAS, Spain [CUBA]
CUBAN CIGARS TRADE, Italy [CUBA]
CUBAN FREIGHT ENTERPRISE (a.k.a. CUFLET, a.k.a. LA EMPRESA CUBANA DE FLETES), Rostock, Germany [CUBA]
CUBAN FREIGHT ENTERPRISE (a.k.a. CUFLET, a.k.a. LA EMPRESA CUBANA DE FLETES), Buenos Aires, Argentina [CUBA]
CUBAN FREIGHT ENTERPRISE (a.k.a. CUFLET, a.k.a. LA EMPRESA CUBANA DE FLETES), Rotterdam, Netherlands [CUBA]
CUBAN FREIGHT ENTERPRISE (a.k.a. CUFLET, a.k.a. LA EMPRESA CUBANA DE FLETES), Varna, Bulgaria [CUBA]
CUBAN FREIGHT ENTERPRISE (a.k.a. CUFLET, a.k.a. LA EMPRESA CUBANA DE FLETES), Moscow, Russia [CUBA]
CUBAN FREIGHT ENTERPRISE (a.k.a. CUFLET, a.k.a. LA EMPRESA CUBANA DE FLETES), Pyongyang, Korea (Peoples Democratic Republic) [CUBA]
CUBAN FREIGHT ENTERPRISE (a.k.a. CUFLET, a.k.a. LA EMPRESA CUBANA DE FLETES), Mexico [CUBA]
CUBAN FREIGHT ENTERPRISE (a.k.a. CUFLET, a.k.a. LA EMPRESA CUBANA DE FLETES), Syczecin, Poland [CUBA]
CUBAN FREIGHT ENTERPRISE (a.k.a. CUFLET, a.k.a. LA EMPRESA CUBANA DE FLETES), Genoa, Italy [CUBA]
CUBAN FREIGHT ENTERPRISE (a.k.a. CUFLET, a.k.a. LA EMPRESA CUBANA DE FLETES), Barcelona, Spain [CUBA]
CUBAN FREIGHT ENTERPRISE (a.k.a. CUFLET, a.k.a. LA EMPRESA CUBANA DE FLETES), Montreal, Canada [CUBA]
CUBANA AIRLINES (a.k.a. EMPRESA CUBANA DE AVIACION), Belas Airport, Luanda, Angola [CUBA]
CUBANA AIRLINES (a.k.a. EMPRESA CUBANA DE AVIACION), 32 Main Street, Georgetown, Guyana [CUBA]
CUBANA AIRLINES (a.k.a. EMPRESA CUBANA DE AVIACION), 24 Rue Du Quatre Septembre, Paris, France [CUBA]
CUBANA AIRLINES (a.k.a. EMPRESA CUBANA DE AVIACION), c/o Anglo-Caribbean Shipping Co. Ltd., Ibex House, The Minories, London EC3N 1DY, England [CUBA]
CUBANA AIRLINES (a.k.a. EMPRESA CUBANA DE AVIACION), Frankfurter TOR 8-A, Berlin, Germany [CUBA]
CUBANA AIRLINES (a.k.a. EMPRESA CUBANA DE AVIACION), Corrientes 545 Primer Piso, Buenos Aires, Argentina [CUBA]
CUBANA AIRLINES (a.k.a. EMPRESA CUBANA DE AVIACION), Dobrininskaya No. 7, Sec 5, Moscow, Russia [CUBA]
CUBANA AIRLINES (a.k.a. EMPRESA CUBANA DE AVIACION), 1 Place Ville Marie, Suite 3431, Montreal, Canada [CUBA]
CUBANA AIRLINES (a.k.a. EMPRESA CUBANA DE AVIACION), Parizska 17, Prague, Czechoslovakia [CUBA]
CUBANA AIRLINES (a.k.a. EMPRESA CUBANA DE AVIACION), Piarco Airport, Port au Prince, Haiti [CUBA]
CUBANA AIRLINES (a.k.a. EMPRESA CUBANA DE AVIACION), Calle 29 y Avda Justo Arosemena, Panama City, Panama [CUBA]
CUBANA AIRLINES (a.k.a. EMPRESA CUBANA DE AVIACION), Norman Manley International Airport, Kingston, Jamaica [CUBA]
CUBANA AIRLINES (a.k.a. EMPRESA CUBANA DE AVIACION), Paseo de la Republica 126, Lima, Peru [CUBA]
CUBANA AIRLINES (a.k.a. EMPRESA CUBANA DE AVIACION), Melchor Ocampo 469, 5DF Mexico City, Mexico [CUBA]
CUBANA AIRLINES (a.k.a. EMPRESA CUBANA DE AVIACION), Madrid, Spain [CUBA]
CUBANA AIRLINES (a.k.a. EMPRESA CUBANA DE AVIACION), Grantley Adams Airport, Christ Church, Barbados [CUBA]
CUBANATUR, Baja California 255, Edificio B, Oficina 103, Condesa 06500, Mexico, D.F. [CUBA]
CUBATABACO, Spain [CUBA]
CUBATUR (a.k.a. EMPRESA DE TURISMO NACIONAL Y INTERNACIONAL), Buenos Aires, Argentina [CUBA]
CUENCA, Ramon Cesar, Panama [CUBA]
CUFLET (a.k.a. LA EMPRESA CUBANA DE FLETES; a.k.a. THE CUBAN FREIGHT ENTERPRISE), Genoa, Italy [CUBA]
CUFLET (a.k.a. LA EMPRESA CUBANA DE FLETES; a.k.a. THE CUBAN FREIGHT ENTERPRISE), Pyongyang, Korea (Peoples Democratic Republic) [CUBA]
CUFLET (a.k.a. LA EMPRESA CUBANA DE FLETES, a.k.a. THE CUBAN FREIGHT ENTERPRISE), Barcelona, Spain [CUBA]
CUFLET (a.k.a. LA EMPRESA CUBANA DE FLETES; a.k.a. THE CUBAN FREIGHT ENTERPRISE), Syczecin, Poland [CUBA]
CUFLET (a.k.a. LA EMPRESA CUBANA DE FLETES, a.k.a. THE CUBAN FREIGHT ENTERPRISE), Buenos Aires, Argentina [CUBA]
CUFLET (a.k.a. LA EMPRESA CUBANA DE FLETES; a.k.a. THE CUBAN FREIGHT ENTERPRISE), Varna, Bulgaria [CUBA]
CUFLET (a.k.a. LA EMPRESA CUBANA DE FLETES; a.k.a. THE CUBAN FREIGHT ENTERPRISE), Rostock, Germany [CUBA]
CUFLET (a.k.a. LA EMPRESA CUBANA DE FLETES, a.k.a. THE CUBAN FREIGHT ENTERPRISE), Moscow, Russia [CUBA]
CUFLET (a.k.a. LA EMPRESA CUBANA DE FLETES, a.k.a. THE CUBAN FREIGHT ENTERPRISE), Montreal, Canada [CUBA]
CUFLET (a.k.a. LA EMPRESA CUBANA DE FLETES, a.k.a. THE CUBAN FREIGHT ENTERPRISE), Mexico [CUBA]
CUFLET (a.k.a. LA EMPRESA CUBANA DE FLETES, a.k.a. THE CUBAN FREIGHT ENTERPRISE), Rotterdam, Netherlands [CUBA]
CUMEXINT, S.A., 1649 Adolfo Prieto, Colonia del Valle, Mexico City, Mexico [CUBA]

CUREF METAL PROCESSING BV, Boezembolcht 23, Rotterdam, Netherlands [CUBA]
CVIJANOVIC, Zeljko; Head of Srpska Novinska Agencija (SRNA) News Agency in Belgrade; Belgrade, Serbia (individual) [SRBH]
DAFIMENT BANK, all offices worldwide [FRY S&M]
DAGHIR, Ali Ashour, 2 Western Road, Western Green, Thames Ditton, Surrey, England (individual) [IRAQ]
DAHAIM, Ayad S., Vali Konagi Cad. No. 10, 80200 Nistantas, Istanbul, Turkey (individual) [LIBYA]
DAMASCUS (YIDS) Tug 149DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
DAMEN GORINCHEM 5716 (N/A) Service DWT N/A Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
DAMEN GORINCHEM 5717 (N/A) Service DWT N/A Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
DAMEN GORINCHEM 5718 (N/A) Service DWT N/A Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
DAN (f.k.a. GOLD STAR; f.k.a. AVALA) (J8FN7) Bulk Carrier 27,069GT Denmark (Saint Vincent) Flag (Leonela Shipping) ((Sunbow Maritime S.A.)) (vessel) [FRY S&M]
DANILOVGRAD (n.k.a. VEDADO) (9HSZ3) Ore Carrier 15,396GT Malta Flag (Lovcen Overseas Shipping Ltd.) (vessel) [FRY S&M]
DANJAN INC. (a.k.a. DANJAN INTERNATIONAL INC.), L4B 3H7 15 Wertheim Court, Suite 408, Richmond Hill, Toronto, Ontario, Canada [FRY S&M]
DANJAN INTERNATIONAL INC. (a.k.a. DANJAN INC.), L4B 3H7 15 Wertheim Court, Suite 408, Richmond Hill, Toronto, Ontario, Canada [FRY S&M]
DANUBE (a.k.a. DUNAV), Smederevo, Serbia [FRY S&M]
DE BOCCARD, Philippe (a.k.a. DE BOCCARD, Phillipe), 44 Avenue Krieg, Geneva, Switzerland (individual) [IRAQ]
DE BOCCARD, Phillipe (a.k.a. DE BOCCARD, Philippe), 44 Avenue Krieg, Geneva, Switzerland (individual) [IRAQ]
DE FRANCE, Naomi A., Cubanatur, Baja California 255, Edificio B., Oficina 103, Condesa 06500, Mexico, D.F. (individual) [CUBA]
DELGADO, Antonio (ARSENIO), Panama (individual) [CUBA]
DELVEST HOLDING S.A. (a.k.a. DELVEST HOLDING COMPANY), Case Postale 236, 10 Bis Rue Du Vieux College 12-11, Geneva, Switzerland [CUBA]
DEMOCRATIC FRONT FOR THE LIBERATION OF PALESTINE (a.k.a. DEMOCRATIC FRONT FOR THE LIBERATION OF PALESTINE - HAWATMEH FACTION, a.k.a. DFLP), Lebanon, Syria, Israel [SDT]
DEMOCRATIC FRONT FOR THE LIBERATION OF PALESTINE - HAWATMEH FACTION (a.k.a. DEMOCRATIC FRONT FOR THE LIBERATION OF PALESTINE, a.k.a. DFLP), Lebanon, Syria, Israel [SDT]
DEPROSA S.A. (a.k.a. DESARROLLO DE PROYECTOS S.A.), Panama City, Panama [CUBA]
DES-SUBOTICA, Gavrila Principa 8, 24000 Subotica, Serbia [FRY S&M]
DESARROLLO DE PROYECTOS S.A. (a.k.a. DEPROSA, S.A.), Panama City, Panama [CUBA]
DESARROLLO INDUSTRIAL CUBANO ESPANOL S.A. (a.k.a. DICESA), Paseo De La Castellana 157, Madrid, Spain [CUBA]
DESARROLLO INDUSTRIAL CUBANO ESPANOL S.A. (a.k.a. DICESA), Jose Lazaro Caldeano 6-6, 28016 Madrid, Spain [CUBA]
DEYALA (YIBJ) Tug 350DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
DFLP (a.k.a. DEMOCRATIC FRONT FOR THE LIBERATION OF PALESTINE - HAWATMEH FACTION, a.k.a. DEMOCRATIC FRONT FOR THE LIBERATION OF PALESTINE), Lebanon, Syria, Israel [SDT]
DIAZ, Rolando (GONZALEZ), Frankfurt, Germany (individual) [CUBA]
DICESA (a.k.a. DESARROLLO INDUSTRIAL CUBANO ESPANOL, S.A.), Jose Lazaro Caldeano, 6-6, 28016, Madrid, Spain [CUBA]
DICESA (a.k.a. DESARROLLO INDUSTRIAL CUBANO ESPANOL, S.A.), Paseo De La Castellana 157, Madrid, Spain [CUBA]
DIJLAH (HNDJ) Tug 356DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
DIKOMBAU GMBH (branch office), Flandricher Strasse 13-15, 5000 Koln, Germany [FRY S&M]
DIKOMBAU GMBH, Lager Weg 16, 6000 Frankfurt am Main, Germany [FRY S&M]
DIMONT GMBH (a.k.a. DIMONT MONTAGE UND BAU GMBH), Wilhelm-Leuschner-Strasse 68, 6000 Frankfurt am Main, Germany [FRY S&M]
DIMONT MONTAGE UND BAU GMBH (a.k.a. DIMONT GMBH), Wilhelm-Leuschner-Strasse 68, 6000 Frankfurt, Germany [FRY S&M]
DINARA, Belgrade, Serbia [FRY S&M]
DIP (a.k.a. DRVNO INDUSTRIJSKO PREDUZECE), Belgrade, Serbia [FRY S&M]
DIVING LAUNCH 1 (N/A) Service DWT N/A Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
DIWANIYA (YIBK) Tug 350DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
DJOKANOVIC, Dragan; Minister of Veterans' Issues of SRBH; Bosnia-Herzegovina (individual) [SRBH]
DJUKIC, Djordje, Major General and Chief of Logistics, SRBH Forces, Bosnia-Herzegovina (individual) [SRBH]
DOCKAN (YIDN) Tanker 528DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
DODIK, Milorad, Deputy in SRBH Assembly; Banja Luka, Bosnia-Herzegovina (individual) [SRBH]
DOHAN, Anas Malik (a.k.a. AL-HASSAN, Anas; a.k.a. AL-HASSAN, Anas Malik Dohan; a.k.a. DOHAN, Anas; a.k.a. MALIK, Anas), Baghdad, Iraq (individual) [IRAQ]
DOHAN, Anas Malik (a.k.a. AL-HASSAN, Anas; a.k.a. AL-HASSAN, Anas Malik Dohan; a.k.a. DOHAN, Anas; a.k.a. MALIK, Anas), Jordan (individual) [IRAQ]
DOLPHINA BANK, all offices worldwide [FRY S&M]
DOMINGUEZ, Carlos, Vinales Tours, Oaxaca 80, Roma, Mexico, D.F. (individual) [CUBA]
DOMINION INTERNATIONAL, England [IRAQ]
DOOLEY, Michael P., Panama (individual) [CUBA]
DOOLEY, Roger Edward (a.k.a. Roger Montanes CABALLERO, a.k.a. Roger MONTANES), Panama (individual) [CUBA]
DRAKULIC, Zoran, DOB 15 Apr 53, Capitol Center, 8th Floor, Nicosia, Cyprus (individual) [FRY S&M]
DRVNO INDUSTRIJSKO PREDUZECE (a.k.a. DIP), Belgrade, Serbia [FRY S&M]
DRVOIMPEX, Podgorica, Montenegro [FRY S&M]
DRY BATTERY PLANT, Libya [LIBYA]
DUMP BARGE I (J8IY) Service 1,330DWT Gibralter flag (Whale Shipping Ltd., c/o State Org. of Iraqi Ports) (vessel) [IRAQ]
DUMP BARGE II (J8IZ) Service 1,330DWT Gibralter flag (Whale Shipping Ltd., c/o State Org. of Iraqi Ports) (vessel) [IRAQ]
DUMP BARGE III (J8JA) Service 1,330DWT Gibralter flag (Whale Shipping Ltd., c/o State Org. of Iraqi Ports) (vessel) [IRAQ]
DUNAV (a.k.a. DANUBE), Smederevo, Serbia [FRY S&M]
DUNAV TISA DUNAV (a.k.a. DUNAV-TISA-DUNAV), Bulevar Marsala Tita 25, 21000 Novi Sad, Vojvodina (Serbia) [FRY S&M]
DUNAV-TISA-DUNAV (a.k.a. DUNAV TISA DUNAV), Bulevar Marsala Tita 25, 21000 Novi Sad, Vojvodina (Serbia) [FRY S&M]
DUQUE, Carlos Jaen, Panama (individual) [CUBA]
DURAND PROPERTIES LIMITED, Haven Court, 5 Library Ramp, Gibraltar [IRAQ]
DURDA, Abu Zayd Umar, Assistant Secretary of Libya's General People's Congress, Libya (individual) [LIBYA]
DURGACO, London, England [CUBA]
DURMITOR (9HUR3) General Dry Cargo 12,375GT Malta Flag (South Cross Shipping Ltd.) (vessel) [FRY S&M]
DUVANSKA INDUSTRIJA, Nis, Serbia [FRY S&M]
DUVANSKI KOMBINAT, Podgorica, Montenegro [FRY S&M]
EAST ISLAND SHIPPING CO., LTD., Limassol, Cyprus [CUBA]
EAST ISLANDS (East Island Shipping Co., Ltd., Cyprus) (vessel) [CUBA]
EAST POINT HOLDINGS LIMITED, 8th Floor, Flat 803, 2 Archbishop Makarios Avenue, Capital Centre, Nicosia, Cyprus [FRY S&M], all offices and affiliates worldwide, including, but not limited to:
- EAST POINT HOLDINGS, Landmark Towers, Dong San Huan Beilu, No. 8, 20th Floor, Room 2003, Postal Code 100004, Beijing, China [FRY S&M]
- EAST POINT HOLDINGS, Belgrade, Serbia [FRY S&M]
- EAST POINT HOLDINGS, Bd. Magheru 24 et III, AP. 18, Sector 1, Bucharest, Romania [FRY S&M]
- EAST POINT HOLDINGS (a.k.a. M POINT KFT), International Trade Center, Balcsy-Zsilinszky 12/304, Budapest, V-1051 Hungary [FRY S&M]
- EAST POINT HOLDINGS, Vul. Prorizna 13, POM. 06, Kiev, Ukraine [FRY S&M]
- EAST POINT HOLDINGS, 17 Albemarle Street, Mayfair, London WIX 3BA, England [FRY S&M]
- EAST POINT HOLDINGS, Plaza Liberty No. 8, 20131 Milan, Italy [FRY S&M]
- EAST POINT HOLDINGS, 20 Mantulinskaya Street, App 16, Moscow, Russia [FRY S&M]
- EAST POINT HOLDINGS, Day Building, Bucharest Avenue, OIH Alley No. 1/17, Apt. 8, Teheran, Iran [FRY S&M]

ECHEVERRI, German, Panama (individual) [CUBA]
EDICIONES CUBANAS, Spain [CUBA]
EDYJU, S.A., Panama [CUBA]
EGGLETON, Wilfred, Director General, Cubanatur, Baja California 255, Edificio B., Oficina 103, Condesa 06500, Mexico, D.F. (individual) [CUBA]
EI BULL HN, Nis, Serbia [FRY S&M]
EI-FABRIKA RADIO CEVI, Nis, Serbia [FRY S&M]
EI-NIS, Nis, Serbia [FRY S&M]
EL-AGELI, Dr. Mukhtar Ali (a.k.a. AL-AGELI, Dr. Muktar Ali, a.k.a. EL-AGELI, Dr. Muktar Ali), Apartment 10, Maida Vale, Little Venice, London, England, 15/17 Lodge Road, St. Johns Wood, London NW8 7JA, England; DOB 23 Jul 44 (individual) [LIBYA]
EL AMIR, Bahjat Fadel, 5 Rowsham Dell, Gifford Park, Milton Keynes Bucks MK14 5JS, England; DOB 01 Jan 42 (individual) [LIBYA]
EL BADRI, Abdullah Salim, Tripoli, Libya (individual) [LIBYA]
EL BAIDA ROADS AND UTILITIES CO., P.O. Box 232/561, El Baida, Libya [LIBYA]
EL FATAH AGENCY, P.O. Box 233, Tripoli, Libya [LIBYA]
EL FERJANI, Abdalla M., Libya; DOB 03 Jun 52 (individual) [LIBYA]
EL-FIGHI, El Hadi M., P.O. Box 1114, Diplomatic Area, Manama, Bahrain (individual) [LIBYA]
EL-FIGHI, El Hadi M., Jamal Abdulnasser Street, P.O. Box 262, Nouakchott, Mauritania (individual) [LIBYA]
EL GHRABLI, Abdudayem, Libya (individual) [LIBYA]
EL HUWEIJ, Mohamed A., Tripoli, Libya (individual) [LIBYA]
EL KEBIR, Mahmoud I., Libya; DOB 24 Dec 48 (individual) [LIBYA]
EL-KHALLAS, Kamel, Vali Konagi Cad. No. 10, 80200 Nistantas, Istanbul, Turkey (individual) [LIBYA]
EL-KHOJA, Mustapha Ali, Saied Ibnu Zeid, Tripoli, Libya (individual) [LIBYA]
EL-KIB, Abdullatif, Manama, Bahrain (individual) [LIBYA]
EL-KIB, Abdullatif, Tripoli, Libya (individual) [LIBYA]
EL MAMOURA FOOD COMPANY, P.O. Box 15058, Tripoli, Libya, (branch) Tripoli, Libya; (branch) Benghazi, Libya [LIBYA]
EL NAILI, Smeida El-Hosh, 21 Redlands Drive, Loughton, Milton Keynes Bucks MK5 8EJ, England; DOB 19 Feb 44 (individual) [LIBYA]
ELECTRIC WIRES AND CABLES PLANT, Libya [LIBYA]
ELECTRICAL CONSTRUCTION CO., P.O. Box 5309, Tripoli, Libya, (branch) Benghazi, Libya, (branch) Misurata, Libya, (branch) Sebha, India, (branch) Dehli, India [LIBYA]

ELEKTRODISTRIBUCIJA, Belgrade, Serbia [FRY S&M]
ELEKTROMETAL, Belgrade, Serbia [FRY S&M]
ELEKTRONSKA INDUSTRIJA, Bulevar Veljka Vlahovica 80-82, 18000 Nis, Serbia [FRY S&M]
ELEKTROPRIVEDA-PREDUZECE ZA PROIZVODNJU EL. ENERGIJE I UGLJA, Belgrade, Serbia [FRY S&M]
ELEKTROPRIVREDA CRNE GORE (a.k.a. MONTENEGRO ELECTRIC POWER COMPANY), Podgorica, Montenegro [FRY S&M]
ELEKTROPRIVREDA KOSOVA (a.k.a. KOSOVO ELECTRIC POWER COMPANY), Pristina, Kosovo (Serbia) [FRY S&M]
ELEKTROPRIVREDA SRBIJE (a.k.a. SERBIA ELECTRIC POWER INDUSTRY), Belgrade, Serbia [FRY S&M]
ELEKTROSRBIJA-DISTRIBUCIJA, Kraljevo, Serbia [FRY S&M]
ELEKTROTIMOK, Zajecar, Serbia [FRY S&M]
ELEKTROVOJVODINA, Novi Sad, Vojvodina (Serbia) [FRY S&M]
ELIND, Valjevo, Serbia [FRY S&M]
ELKHALEGE GENERAL CONSTRUCTION CO., P.O. Box 445, Agedabia, Libya; Sirti Office, P.O. Box 105, Sirti, Libya; Benghazi Office, Benghazi, Libya [LIBYA]
EMERALD ISLANDS (Bettina Shipping Co., Ltd., Malta) (vessel) [CUBA]
EMNUHOOD EST. FOR CONTRACTS, P.O. Box 1380, Benghazi, Libya [LIBYA]
EMPRESA CUBANA DE AVIACION (a.k.a. CUBANA AIRLINES), 32 Main Street, Georgetown, Guyana [CUBA]
EMPRESA CUBANA DE AVIACION (a.k.a. CUBANA AIRLINES), 24 Rue Du Quatre Septembre, Paris, France [CUBA]
EMPRESA CUBANA DE AVIACION (a.k.a. CUBANA AIRLINES), Belas Airport, Luanda, Angola [CUBA]
EMPRESA CUBANA DE AVIACION (a.k.a. CUBANA AIRLINES), Dobrininskaya No. 7, Sec 5, Moscow, Russia [CUBA]
EMPRESA CUBANA DE AVIACION (a.k.a. CUBANA AIRLINES), Corrientes 545 Primer Piso, Buenos Aires, Argentina [CUBA]
EMPRESA CUBANA DE AVIACION (a.k.a. CUBANA AIRLINES), Frankfurter TOR 8-A, Berlin, Germany [CUBA]
EMPRESA CUBANA DE AVIACION (a.k.a. CUBANA AIRLINES), 1 Place Ville Marie, Suite 3431, Montreal, Canada [CUBA]
EMPRESA CUBANA DE AVIACION (a.k.a. CUBANA AIRLINES), Parizska 17, Prague, Czechoslovakia [CUBA]
EMPRESA CUBANA DE AVIACION (a.k.a. CUBANA AIRLINES), Paseo de la Republica 126, Lima, Peru [CUBA]
EMPRESA CUBANA DE AVIACION (a.k.a. CUBANA AIRLINES), Piarco Airport, Port au Prince, Haiti [CUBA]
EMPRESA CUBANA DE AVIACION (a.k.a. CUBANA AIRLINES), c/o Anglo-Caribbean Shipping Co. Ltd., Ibex House, The Minories, London EC3N 1DY, England [CUBA]
EMPRESA CUBANA DE AVIACION (a.k.a. CUBANA AIRLINES), Norman Manley International Airport, Kingston, Jamaica [CUBA]
EMPRESA CUBANA DE AVIACION (a.k.a. CUBANA AIRLINES), Melchor Ocampo 469, 5DF Mexico City, Mexico [CUBA]
EMPRESA CUBANA DE AVIACION (a.k.a. CUBANA AIRLINES), Calle 29 y Avda. Justo Arosemena, Panama City, Panama [CUBA]
EMPRESA CUBANA DE AVIACION (a.k.a. CUBANA AIRLINES), Grantley Adams Airport, Christ Church, Barbados [CUBA]
EMPRESA CUBANA DE AVIACION (a.k.a. CUBANA AIRLINES), Madrid, Spain [CUBA]
EMPRESA CUBANA DE PESCADOS Y MARISCOS (a.k.a. CARIBEX; a.k.a. CARIBBEAN EXPORT ENTERPRISE) Paris, France [CUBA]
EMPRESA CUBANA DE PESCADOS Y MARISCOS (a.k.a. CARIBEX; a.k.a. CARIBBEAN EXPORT ENTERPRISE) Milan, Italy [CUBA]
EMPRESA CUBANA DE PESCADOS Y MARISCOS (a.k.a. CARIBEX; a.k.a. CARIBBEAN EXPORT ENTERPRISE) Moscow, Russia [CUBA]
EMPRESA CUBANA DE PESCADOS Y MARISCOS (a.k.a. CARIBEX; a.k.a. CARIBBEAN EXPORT ENTERPRISE) Madrid, Spain [CUBA]
EMPRESA CUBANA DE PESCADOS Y MARISCOS (a.k.a. CARIBEX; a.k.a. CARIBBEAN EXPORT ENTERPRISE) Cologne, Germany [CUBA]
EMPRESA CUBANA DE PESCADOS Y MARISCOS (a.k.a. CARIBEX; a.k.a. CARIBBEAN EXPORT ENTERPRISE) Downsview, Ontario, Canada [CUBA]
EMPRESA CUBANA DE PESCADOS Y MARISCOS (a.k.a. CARIBEX; a.k.a. CARIBBEAN EXPORT ENTERPRISE) Tokyo, Japan [CUBA]
EMPRESA DE TURISMO NACIONAL Y INTERNACIONAL (a.k.a. CUBATUR), Buenos Aires, Argentina [CUBA]
ENDSHIRE EXPORT MARKETING, England [IRAQ]
ENERGOGAS, Novi Beograd, Serbia [FRY S&M]
ENERGOPROJEKT, Belgrade, Serbia [FRY S&M], all offices worldwide, including, but not limited to
- ENERGOPROJECT INZENJERING, Lenjinov Bulevar, 12 Belgrade, Serbia [FRY S&M]
- ENERGOPROJEKT (BOTSWANA) (PTY) LTD., P.O. Box 445, Gabarone, Botswana [FRY S&M]
- ENERGOPROJEKT, INC., New York, NY, U.S.A. [FRY S&M]

ENTERPRISE FOR CONSTRUCTION MACHINERY - RADOJE DAKIC (a.k.a. RADOJE DAKIC), Podgorica, Montenegro [FRY S&M]
EPAMAC SHIPPING CO., LTD., 60 South Street, Valletta, Malta [CUBA]
ERCEG, Nikola, Deputy in SRBH Assembly, Banja Luka, Bosnia-Herzegovina (individual) [SRBH]
ETCO INTERNATIONAL COMMODITIES LTD., Devonshire House, 1 Devonshire Street, London, England [CUBA]
ETCO INTERNATIONAL COMPANY, LIMITED, Kawabe Building, 1-5 Kanda Nishiki-Cho, Chiyoda-Ku, Tokyo, Japan [CUBA]
EUROMAC EUROPEAN MANUFACTURER CENTER SRL, Via Ampere 5, 20052 Monza, Italy [IRAQ]
EUROMAC, LTD., 4 Bishops Avenue, Northwood, Middlesex, England [IRAQ]
EUROMAC TRANSPORTI INTERNATIONAL SRL, Via Ampere 5, 20052 Monza, Italy [IRAQ]
EUROPA INTERNACIONAL (of Belgrade), all offices worldwide [FRY S&M], including, but not limited to
- EUROPA INTERNACIONAL (of Belgrade), Palmira Toljatija 3, 11070 Novi Beograd, Serbia [FRY S&M]

EXIMKOS (a.k.a. KOSOVO EXPORT IMPORT GMBH, a.k.a. KOSOVO GMBH, a.k.a. OMEGA GMBH), Maillingerstrasse 34, 8000 Munich 2, Germany [FRY S&M]
EXPORT IMPORT KOSOVO, Trg Republike 2, 38000 Pristina, Kosovo, Serbia [FRY S&M]
EXPORTADORA DEL CARIBE, Medira, Mexico [CUBA]
F.A. PETROLI S.P.A., Italy [LIBYA]
FABEG, Belgrade, Serbia [FRY S&M]
FABRIKA KABLOVA, Zajecar, Serbia [FRY S&M]
FABRIKA OPREME I DELOVA, Bor, Serbia [FRY S&M]
FABRIKA PUMPI JASTREBAC NIS, 12 Februara Bulevar 82, 18000 Nis, Serbia [FRY S&M]
FABRIKA STAKLA - ZAJECAR, Zajecar, Serbia [FRY S&M]
FABRIKA VENTILA ZA PNEUMATIKU, Bor, Serbia [FRY S&M]
FABRO INVESTMENT, INC., Panama [CUBA]
FACOBATA, Panama [CUBA]
FADLALLAH, Shaykh Muhammad Husayn, Leading Ideological Figure of HIZBALLAH, DOB 1938 or 1936, POB Najf Al Ashraf (Najaf), Iraq (individual) [SDT]
FAKULTET ZA MENADZMENT, Narodnog Fronta 43, 11000 Belgrade, Serbia [FRY S&M]
FALCON SYSTEMS, England [IRAQ]
FAM, Krusevac, Serbia [FRY S&M]
FAMESA INTERNATIONAL, S.A., Panama [CUBA]
FAP-FAMOS, Belgrade, Serbia [FRY S&M]
FARAJ, Samal Majid, Minister of Planning, Iraq (individual) [IRAQ]*
FARTRADE HOLDINGS S.A., Switzerland [IRAQ]
FATAH REVOLUTIONARY COUNCIL (a.k.a. ANO; a.k.a. ABU NIDAL ORGANIZATION; a.k.a. BLACK SEPTEMBER; a.k.a. ARAB REVOLUTIONARY COUNCIL; a.k.a. ARAB REVOLUTIONARY BRIGADES; a.k.a. REVOLUTIONARY ORGANIZATION OF SOCIALIST MUSLIMS), Libya, Lebanon; Algeria; Sudan; Iraq [SDT]
FATTAH, Jum'a Abdul, P.O. Box 1318, Amman, Jordan (individual) [IRAQ]
FAZANI, Juma, Secretary of Arab Unity of the Government of Libya, Libya (individual) [LIBYA]*
FC9063 LIMITED (n.k.a. TEKNICA (UK) LIMITED), 15/17 Lodge Road, St. Johns Wood, London NW8 7JA, England; Avon House, 360-366 Oxford Street, London W1N 9HA, England; Tripoli, Libya [LIBYA]
FCI HOLDING S.A., 3 Rte de Sion, 3960 Sierre, Switzerland [FRY S&M]
FEDERAL DIRECTORATE OF SUPPLY AND PROCUREMENT, Belgrade, Serbia [FRY S&M]
FERJANI, A.S.A., Tripoli, Libya (individual) [LIBYA]
FERONIKL - GLOGOVAC, Glogovac, Kosovo (Serbia) [FRY S&M]
FERROUS EAST CORPORATION, Elizabeth, NJ [FRY S&M]
FINCOMTRA ESTABLISHMENT, Post Office Box 185, Vaduz, Liechtenstein [FRY S&M]
FIRE BOAT No. 705 (N/A) Service DWT N/A Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
FIRE BOAT No. 706 (N/A) Service DWT N/A Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
FIRST CORPORATE BANK, all offices (bank is headquartered in Belgrade, Serbia) [FRY S&M]
FLIGHT DRAGON SHIPPING, LTD., 171 Old Bakery Street, Valletta, Malta [CUBA]
FLYING DRAGON (Flight Dragon Shipping Ltd., Malta) (vessel) [CUBA]
FOLLOWERS OF THE PROPHET MUHAMMAD (a.k.a. PARTY OF GOD; a.k.a. HIZBALLAH; a.k.a. ISLAMIC JIHAD; a.k.a. REVOLUTIONARY JUSTICE ORGANIZATION; a.k.a. ORGANIZATION OF THE OPPRESSED ON EARTH; a.k.a. ISLAMIC JIHAD FOR THE LIBERATION OF PALESTINE; a.k.a. ANSAR ALLAH), Lebanon [SDT]
FOOTWEAR PLANT, Misurata, Libya [LIBYA]
FOREIGN PETROLEUM INVESTMENT CORPORATION (a.k.a. OILINVEST; a.k.a. LIBYAN OIL INVESTMENTS INTERNATIONAL COMPANY; a.k.a. OIIC; a.k.a. OILINVEST INTERNATIONAL N.V.), Netherlands Antilles [LIBYA]
FOREIGN PETROLEUM INVESTMENT CORPORATION (a.k.a. OILINVEST; a.k.a. LIBYAN OIL INVESTMENTS INTERNATIONAL COMPANY; a.k.a. OIIC, a.k.a. OILINVEST INTERNATIONAL N.V.), Tripoli, Libya [LIBYA]
FOREIGN TRADE INSTITUTE (a.k.a. INSTITUT ZA SPOLJNU TRGOVINU), Belgrade, Serbia [FRY S&M]
FOREL (HNFL) Fish 1,163DWT Iraqi flag (Rafidain Fisheries Co. Ltd., Basrah, Iraq) (vessel) [IRAQ]
FRIGO HISPANIA (Ace Indic Navigation Co., Malta) (vessel) [CUBA]
FRUNI TRADING, S.A., Panama [CUBA]
FUENTES, Fernando (COBA), Cozumel, Mexico (individual) [CUBA]
FURAT (HNFT) Tug 350DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
FURNITURE AMERICANA, Hackensack, NJ [FRY S&M]
G. L. LEGIN, 21 Kosta Ourani Street, Limassol, Cyprus [FRY S&M]
G. L. LEGIN, Bolshaya Pochtovaya Street Nr. 1, Moscow, Russia [FRY S&M]
GAAC (a.k.a. GAAE; a.k.a. GENERAL ARAB AFRICAN COMPANY; a.k.a. GENERAL ARAB AFRICAN ENTERPRISE), P.O. Box 8059, 219 Mohammed El Meganef Street, Tripoli, Libya [LIBYA]
GAAC (a.k.a. GAAE; a.k.a. GENERAL ARAB AFRICAN COMPANY, a.k.a. GENERAL ARAB AFRICAN ENTERPRISE), Nasser Street, Benghazi, Libya [LIBYA]
GAAE (a.k.a. GAAC; a.k.a. GENERAL ARAB AFRICAN COMPANY, a.k.a. GENERAL ARAB AFRICAN ENTERPRISE), Nasser Street, Benghazi, Libya [LIBYA]
GAAE (a.k.a. GAAC; a.k.a. GENERAL ARAB AFRICAN COMPANY, a.k.a. GENERAL ARAB AFRI-

CAN ENTERPRISE), P.O. Box 8059, 219 Mohammed El Meganef Street, Tripoli, Libya [LIBYA]
GAGOVIC, Milislav; Major General, SRBH Forces; Bosnia-Herzegovina (individual) [SRBH]
GALAX INC. (a.k.a. GALAX TRADING CO., LTD.), 5250 Ferrier Street, Montreal, Quebec [CUBA]
GALAX TRADING CO., LTD. (a.k.a. GALAX INC.), 5250 Ferrier Street, Montreal, Quebec [CUBA]
GALIC, Stanislav; Major General and a Corps Commander, Sarajevo-Romanij Corps, SRBH Forces; Bosnia-Herzegovina (individual) [SRBH]
GALLO IMPORT, Panama [CUBA]
GAMA'AT (a.k.a. ISLAMIC GAMA'AT; a.k.a. GAMA'AT AL-ISLAMIYYA; a.k.a. THE ISLAMIC GROUP; a.k.a. AL-GAMA'A AL-ISLAMIYYA), Egypt [SDT]
GAMA'AT AL-ISLAMIYYA (a.k.a. ISLAMIC GAMA'AT; a.k.a. GAMA'AT; a.k.a. THE ISLAMIC GROUP; a.k.a. AL-GAMA'A AL-ISLAMIYYA), Egypt [SDT]
GAMOENNS CONTRACTS AND UTILITIES EST P.O. Box 3038, Benghazi, Libya [LIBYA]
GARABULLI FODDER PLANT, Libya [LIBYA]
GARCIA, Daniel, Manager, Promociones Artisticas (PROARTE), Avenida Insurgentes Sur No. 421, Bloque B Despacho 404, C.P. 06100, Mexico, D.F. (individual) [CUBA]
GARCIA SANTAMARINA de la TORRE, Alfredo Rafael (a.k.a. SANTAMARINA DE LA TORRE, Rafael Garcia) Panama (individual) [CUBA]
GARIC, Nedeljko; Deputy in SRBH Assembly; Bosnia-Herzegovina (individual) [SRBH]
GAS, Novi Sad, Vojvodina (Serbia) [FRY S&M]
GATOIL SUISSE S.A. (n.k.a. TAMOIL SUISSE S.A.; n.k.a. TAMOIL SWITZERLAND), see listings, Switzerland [LIBYA]
GAZA (YIGZ) Service 2,422DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
GEMEX AUSSENHANDELS GMBH, Hanauer Landstr. 126-128, D-6000, Frankfurt, Main 1, Germany [CUBA]
GENERAL ARAB AFRICAN COMPANY (a.k.a. GAAC; a.k.a. GAAE; a.k.a. GENERAL ARAB AFRICAN ENTERPRISE), P.O. Box 8059, 219 Mohammed El Meganef Street, Tripoli, Libya [LIBYA]
GENERAL ARAB AFRICAN COMPANY (a.k.a. GAAC; a.k.a. GAAE; a.k.a. GENERAL ARAB AFRICAN ENTERPRISE), Nasser Street, Benghazi, Libya [LIBYA]
GENERAL ARAB AFRICAN ENTERPRISE (a.k.a. GAAC; a.k.a. GAAE; a.k.a. GENERAL ARAB AFRICAN COMPANY) P.O. Box 8059, 219 Mohammed El Meganef Street, Tripoli, Libya [LIBYA]
GENERAL ARAB AFRICAN ENTERPRISE (a.k.a. GAAC; a.k.a. GAAE; a.k.a. GENERAL ARAB AFRICAN COMPANY), Nasser Street, Benghazi, Libya [LIBYA]
GENERAL CATERING CORPORATION, P.O. Box 491, Tripoli, Libya [LIBYA]
GENERAL CLEANING COMPANY, P.O. Box 920, Tripoli, Libya [LIBYA]
GENERAL COMMERCE GMBH, Kaufinger Strasse 35, 8000 Munich 2, Germany [FRY S&M]
GENERAL CO. FOR AGRICULTURAL MACHINERY AND NECESSITIES, P.O. Box 324, Tripoli, Libya; (branch) Azizia, Libya; Benghazi Office P.O. Box 2094, Benghazi, Libya; (branch) Sebha, Libya; (branch) Zawia, Libya [LIBYA]
GENERAL CO. FOR AGRICULTURAL PROJECTS, P.O. Box 2284, Tripoli, Libya; (branch) P.O. Box 265, Gharian, Libya [LIBYA]
GENERAL CO. FOR CERAMIC AND GLASS PRODUCTS, Aziza Amin Bldg., Suani Ben Adam, P.O. Box 12581, Dhara-Tripoli, Libya [LIBYA]
GENERAL CO. FOR CIVIL WORKS, P.O. Box 3306, Tripoli, Libya; (branch) P.O. Box 1299, Benghazi, Libya [LIBYA]
GENERAL CO. FOR CONSTRUCTION AND EDUCATIONAL BUILDINGS, P.O. Box 1186, Tripoli, Libya; (branch) P.O. Box 4087, Benghazi, Libya [LIBYA]
GENERAL CO. FOR ELECTRIC WIRES AND PRODUCTS, P.O. Box 1177, Benghazi, Libya; (branch) P.O. Box 12629, Tripoli, Libya [LIBYA]
GENERAL CO. FOR LAND RECLAMATION, P.O. Box 307, Souani Road, Tripoli, Libya [LIBYA]
GENERAL CO. FOR LEATHER PRODUCTS AND MANUFACTURE, P.O. Box 2319, Tripoli, Libya; (branch) P.O. Box 152, Benghazi, Libya [LIBYA]
GENERAL CO. FOR MARKETING AND AGRICULTURAL PRODUCTION, P.O. Box 2897, Hadba Al Khadra, Tripoli, Libya; (branch) P.O. Box 4251, Benghazi, Libya [LIBYA]
GENERAL CO. FOR TEXTILES, P.O. Box 1816, Benghazi, Libya; (branch) P.O. Box 3257, Tripoli, Libya [LIBYA]
GENERAL CO. FOR TOYS AND SPORT EQUIPMENT, P.O. Box 3270, Tripoli, Libya [LIBYA]
GENERAL COMPANY FOR CHEMICAL INDUSTRIES, P.O. Box 100/411, 100/071, Zuara, Libya [LIBYA]
GENERAL CONSTRUCTION COMPANY, P.O. Box 8636, Tripoli, Libya; (branch) Gharian Office, P.O. Box 178, Gharian, Libya [LIBYA]
GENERAL CORPORATION FOR PUBLIC TRANSPORT, 2175 Sharia Magaryef, Tatanaka Bldg, P.O. Box 4875, Tripoli, Libya; (branch) P.O. Box 9528, Benghazi, Libya [LIBYA]
GENERAL DAIRIES AND PRODUCTS CO., P.O. Box 5318, Tripoli, Libya; (branch) P.O. Box 9118, Benghazi, Libya; Tripoli Factory, Tripoli, Libya; Benghazi Factory, Benghazi, Libya; Khoms Factory, Khoms, Libya; Jebel Akhdar Factory, Jebel Akhdar, Libya [LIBYA]
GENERAL ELECTRICITY CORPORATION, P.O. Box 3047, Benghazi, Libya; (branch) P.O. Box 668, Tripoli, Libya [LIBYA]
GENERAL ELECTRONICS CO., P.O. Box 12580, Tripoli, Libya; (branch) P.O. Box 2068, Benghazi [LIBYA]
GENERAL EST. FOR PUBLICATION DISTRIBUTION & ADVERTISING, P.O. Box 113, Beirut, Lebanon [LIBYA]
GENERAL FURNITURE CO., Suani Road, Km. 15, P.O. Box 12655, Tripoli, Libya [LIBYA]
GENERAL IKL CORPORATION, Blauvelt, NY, U.S.A. [FRY S&M]
GENERAL LIBYAN CO. FOR ROAD CONSTRUCTION AND MAINTENANCE, P.O. Box 2676, Swani Road, Tripoli, Libya [LIBYA]
GENERAL MOTORS YU, Belgrade, Serbia [FRY S&M]
GENERAL NATIONAL CO. FOR FLOUR MILLS AND FODDER, Bab Bin Ghashir, P.O. Box 984, Tripoli, Libya; Benghazi Office, Gamel Abdumaser Street, P.O. Box 209, Benghazi, Libya [LIBYA]
GENERAL NATIONAL CO. FOR INDUSTRIAL CONSTRUCTION, P.O. Box 953, Beida, Libya; Tripoli Branch, P.O. Box 295, Tripoli, Libya; Benghazi Branch, Gamal Abd El Naser Street, P.O. Box 9502, Benghazi, Libya [LIBYA]
GENERAL NATIONAL MARITIME TRANSPORT CO. (a.k.a. THE NATIONAL LINE OF LIBYA), P.O. Box 80173, 2 Ahmed Sharif Street, Tripoli, Libya (and at all Libyan ports); (branch) P.O. Box 2450, Benghazi, Libya [LIBYA]
GENERAL NATIONAL ORGANISATION FOR INDUSTRIALIZATION, Sharia Sana'a, P.O. Box 4388, Tripoli, Libya; (branch) P.O. Box 2779, Benghazi, Libya [LIBYA]
GENERAL ORGANISATION FOR TOURISM AND FAIRS, P.O. Box 891, Sharia Haiti, Tripoli, Libya [LIBYA]
GENERAL PAPER AND PRINTING CO., P.O. Box 8096, Tripoli, Libya; (branch) Benghazi, Libya; (branch) Sebha, Libya [LIBYA]
GENERAL POST AND TELECOMMUNICATIONS CORP., Maidan al Jazair, Tripoli, Libya [LIBYA]
GENERAL RAHILA AUTOMOBILE CO., Libya [LIBYA]
GENERAL TOBACCO COMPANY, Gorji Road Km 6, P.O. Box 696, Tripoli, Libya; (branch) Benghazi, Libya; (branch) Sebha, Libya; (branch) Zavia, Libya; (branch) Garian, Libya; (branch) Khoms, Libya [LIBYA]
GENERAL WATER WELL DRILLING CO., P.O. Box 2532, Shara Omar Muktar, Mormesh Bldg., Tripoli, Libya; (branch) P.O. Box 2532, Benghazi, Libya [LIBYA]
GENERALEXPORT (a.k.a. GENEX), Belgrade, Serbia [FRY S&M]
GENERALEXPORT ALEXANDRIA, 43, Saphia Zaghloul Street, Alexandria, Egypt [FRY S&M]
GENERALEXPORT ALMA ATA, Alma Ata, Khazakstan [FRY S&M]
GENERALEXPORT BAGHDAD, P.O. Box 2324 Alwiyah, Sa'adoun Street, Shaheen Building, Dard Al-Pasha, Baghdad, Iraq [FRY S&M]
GENERALEXPORT BEIJING, Unit 08-06/07, Liang Ma Tower, 8 North Dong San Huan Road, Chao Yang District, Beijing, China [FRY S&M]
GENERALEXPORT BRATISLAVA (a.k.a. YUGOTOURS), Palisady 31/II, 81106 Bratislava, Slovak Republic [FRY S&M]
GENERALEXPORT BUCHAREST, P.O. 22, Bd. N Balcescu Nr. 26, Sector 1, Bucharest, Romania [FRY S&M]
GENERALEXPORT BUDAPEST, Vaci Utca 19-21 (5th Floor), 1052 Budapest V, Hungary [FRY S&M]
GENERALEXPORT CAIRO, 21, Ahmed Heshmet Str. Zamalek, 1st Floor, Suite 4, Cairo, Egypt [FRY S&M]
GENERALEXPORT DAMASCUS, P.O. Box 2883, Tajhiz Street, Kardous Building, Damascus, Syria [FRY S&M]
GENERALEXPORT ISTANBUL (a.k.a. GENERALEXPORT LIAISON OFFICE), Dag. Apt. Daire No. 10, Cumhuriyet Cad. No. 10, Elmadag, Istanbul, Turkey [FRY S&M]
GENERALEXPORT KHARTOUM (a.k.a. GENEX LTD. SUDAN; a.k.a. GENERALEXPORT REPRESENTATIVE OFFICE), P.O. Box 6013, El Nugumi Str. 10 Khartoum, Sudan [FRY S&M]
GENERALEXPORT KIEV, Kiev, Ukraine [FRY S&M]
GENERALEXPORT KUWAIT, P.O. Box 1661 Safat, 13017, Safat Al Kuwait [FRY S&M]
GENERALEXPORT LIAISON OFFICE (a.k.a. GENERALEXPORT ISTANBUL), Dag. Apt. Daire No. 10, Cumhuriyet Cad. No. 10, Elmadag, Istanbul, Turkey [FRY S&M]
GENERALEXPORT LOME, (a.k.a. GENEX LOME - TOGO), P.O. Box 4410, Lome, Togo [FRY S&M]
GENERALEXPORT MOSCOW, Ul. Raevskogo 4, 121248 Moscow, Russia [FRY S&M]
GENERALEXPORT NORILSK, Norilsk, Russia [FRY S&M]
GENERALEXPORT PRAGUE (a.k.a. YUGOTOURS), Stepanska 57/II, 11000 Prague, Czech Republic [FRY S&M]
GENERALEXPORT REPRESENTATIVE OFFICE (a.k.a. GENERALEXPORT KHARTOUM; a.k.a. GENEX LTD. SUDAN), P.O. Box 6013, El Nugumi Str. 10 Khartoum, Sudan [FRY S&M]
GENERALEXPORT RIGA, Kirowa 21, 2 floor, kv. 4, Riga, Latvia [FRY S&M]
GENERALEXPORT SAINT PETERSBURG, Kirowski Prospekt 26/28 kv 101, St. Petersburg, Russia [FRY S&M]
GENERALEXPORT SOCHI, Pirogowa 30 a, Sochi, Russia [FRY S&M]
GENERALEXPORT SOFIA, Aleksandar Stambolijski 49/III, 1000 Sofia, Bulgaria [FRY S&M]
GENERALEXPORT TASHKENT, Tashkent, Uzbekistan [FRY S&M]
GENERALEXPORT TEHRAN, P.O. Box 11365-7633, Str. Khanm Khane zand No. 1/53, Tehran, Iran [FRY S&M]
GENERALEXPORT ULAN BATOR, 6 Mikrorajon, Dom 41, Kvartira 9/4, Ulan Bator, Mongolia [FRY S&M]
GENERALEXPORT VOLGOGRAD, Chuikowa 37, 4 floor, kv. 4, Volgograd, Russia [FRY S&M]
GENERALEXPORT WARSAW, Ul. Wspolna 35 m 8, 00-519 Warszawa, Poland [FRY S&M]
GENERALEXPORT YEREVAN, Yerevan, Armenia [FRY S&M]
GENEX (a.k.a. GENERALEXPORT), Belgrade, Serbia [FRY S&M]
GENEX-AGRAR, Post Office Box 636, Vladimira Popovica 8, 11070 Novi Beograd, Serbia [FRY S&M]
GENEX-ENGINEERING, Post Office Box 636, Vladimira Popovica 8, 11070 Novi Beograd, Serbia [FRY S&M]
GENEX-INVEST, Post Office Box 636, Vladimira Popovica 8, 11070 Novi Beograd, Serbia [FRY S&M]
GENEX KRISTAL, Belgrade, Serbia [FRY S&M]
GENEX LTD. SUDAN (a.k.a. GENERALEXPORT KHARTOUM; a.k.a. GENERALEXPORT REPRE-

SENTATIVE OFFICE), P.O. Box 6013, El Nugumi Str. 10 Khartoum, Sudan [FRY S&M]
GENEX MAGREB, Tunisia [FRY S&M]
GENEX-METALS, Post Office Box 636, Narodnih Heroja 43, 11070 Novi Beograd, Serbia [FRY S&M]
GENEX-PHARM, CHEMICALS AND CRUDE OIL, Post Office Box 636, Vladimira Popovica 8, 11070 Novi Beograd, Serbia [FRY S&M]
GENEX-REPRESENTATION, Post Office Box 636, Dure Dakovica 31, 11000 Belgrade, Serbia [FRY S&M]
GENEX-TEXTILES, LEATHER AND FOOTWEAR, Post Office Box 636, Vladimira Popovica 8, 11070 Novi Beograd, Serbia [FRY S&M]
GENEX-TIMBER, PAPER AND PRINTING, Post Office Box 636, Narodnih Heroja 43, 11070 Novi Beograd, Serbia [FRY S&M]
GEOINSTITUT, Rovinjska 12, 11000 Belgrade, Serbia [FRY S&M]
GHADAMSI, Bashir, Italy (individual) [LIBYA]
GHADBAN, Mohammed Mustafa, P.O. Box 4647, Shuhada Square, Tripoli, Libya (individual) [LIBYA]
GHADBAN, Mohammed Mustafa, P.O. Box 452, Fadiel Abu Omar Square, El-Berkha, Benghazi, Libya (individual) [LIBYA]
GHADBAN, Mohammed Mustafa, Vali Konagi Cad No. 10, 80200 Nistantas, Istanbul, Turkey (individual) [LIBYA]
GHAFUR Humam Abdel Khaleq Abdel (a.k.a. ABD AL-GHAFUR, Humam Abd al-Khaliq), Minister of Higher Education and Scientific Research; DOB 1945; Iraq (individual) [IRAQ]*
GIBRIL, Mustafa Saleh, P.O. Box 3224, Martyr Street, Megnef, Tripoli, Libya (individual) [LIBYA]
GIK KOMGRAP, Podgorica, Montenegro [FRY S&M]
GLIMMER MARITIME S.A., Panama City, Panama, c/o Beogradska Plovidba, Lenjinov Bulevar 165A, 11070 Novi Beograd, Serbia [FRY S&M]
GLOBAL MARINE OVERSEAS, INC., Panama [CUBA]
GLOBAL, Novi Sad, Vojvodina (Serbia) [FRY S&M]
GOLD STAR (n.k.a. DAN; f.k.a. AVALA) (J8FN7) Bulk Carrier 27,069GT Denmark (Saint Vincent) Flag (Leonela Shipping) ((Sunbow Maritime S.A.)) (vessel) [FRY S&M]
GOLDEN COMET NAVIGATION CO., LTD., Panama [CUBA]
GONZALEZ, Carlos Alfonso (a.k.a. Carlos ALFONSO), Panama (individual) [CUBA]
GORNJI IBAR, Rozaje, Montenegro [FRY S&M]
GOSA, 11420 Smederevska Palanka, Industrijska 70, Serbia [FRY S&M]
GOSA, Smederevo, Serbia [FRY S&M]
GOSTIC, Uros, Deputy in SRBH Assembly, Bosnia-Herzegovina (individual) [SRBH]
GRETE (Grete Shipping Co., S.A., Panama) (vessel) [CUBA]
GRETE SHIPPING COMPANY, S.A., Panama [CUBA]
GRUBAC, Radovan, Colonel General and Commander, Herzegovina Corps, SRBH Forces, DOB 1949, Bosnia-Herzegovina(individual) [SRBH]
GRUPO ICD-PAMS-SG, Belgrade, Serbia [FRY S&M]
GUACA EXPORT, Panama [CUBA]
GUAMA TOUR (a.k.a. AGENCIA DE VIAJES GUAMA, a.k.a. VIAJES GUAMA TOURS, a.k.a. GUAMATUR, S.A.), Bal Harbour Shopping Center, Via Italia, Panama City, Panama [CUBA]
GUAMAR SHIPPING CO., S.A., Panama [CUBA]
GUAMATUR, Buenos Aires, Argentina [CUBA]
GUAMATUR, S.A. (a.k.a. AGENCIA DE VIAJES GUAMA, a.k.a. VIAJES GUAMA TOURS, a.k.a. GUAMA TOUR), Bal Harbour Shopping Center, Via Italia, Panama City, Panama [CUBA]
GUANA (f.k.a. KOLASIN) (Unknown) Bulk Carrier 9,916GT Malta Flag (Lovcen Overseas Shipping Ltd.) (vessel) [FRY S&M]
GUMAPLAST, Indija, Vojvodina (Serbia) [FRY S&M]
GUTIERREZ REYES, Jose, Vinales Tours, Oaxaca 80, Roma, Mexico, D.F. (individual) [CUBA]
GVERO, Milan, Colonel Lieutenant General and Deputy Army Commander, SRBH Forces, Bosnia-Herzegovina (individual) [SRBH]
GVOZDENOVIC, Zaga, DOB 22 Jul 41, Xenios Commercial Centre, Archbishop Makarios III Avenue, Suite 504, Nicosia, Cyprus (address of J.U.B. HOLDINGS) (individual) [FRY S&M]
H & H METALFORM GMBH, Postfach 1160, Strontianitstrasse 5, 4406 Drensteinfurt, Germany [IRAQ]
HABANOS TRADING, Geneva, Switzerland [CUBA]
HABASH, George (a.k.a. HABBASH, George); Secretary General of POPULAR FRONT FOR THE LIBERATION OF PALESTINE (individual) [SDT]
HABBASH, George (a.k.a. HABASH, George); Secretary General of POPULAR FRONT FOR THE LIBERATION OF PALESTINE (individual) [SDT]
HABIB, Mohammed Turki, Baghdad, Iraq (individual) [IRAQ]
HABUBI, Dr. Safa Hadi Jawad (a.k.a. AL-HABUBI, Dr. Safa Hadi Jawad; a.k.a. JAWAD, Dr. Safa Hadi; a.k.a. HABUBI, Dr Safa Jawad; or a.k.a. AL-HABOBI, Dr. Safa; a.k.a. AL-HABOBI, Dr. Safa Haji J.), Minister of Oil; DOB 01 Jul 46; Flat 4D Thorney Court, Palace Gate, Kensington, England, Iraq (individual) [IRAQ]*
HABUBI, Dr. Safa Jawad (a.k.a. AL-HABUBI, Dr. Safa Hadi Jawad; a.k.a. JAWAD, Dr. Safa Hadi; a.k.a. HABUBI, Dr. Safa Hadi Jawad; or a.k.a. AL-HABOBI, Dr. Safa; a.k.a. AL-HABOBI, Dr. Safa Haji J.), Minister of Oil, DOB 01 Jul 46; Flat 4D Thorney Court, Palace Gate, Kensington, England; Iraq (individual) [IRAQ]*
HAMADI, Hamed Yussef (a.k.a. AL-HAMMADI Hamid Yusif), Minister of Culture and Information, Iraq (individual) [IRAQ]*
HAMAS (a.k.a. ISLAMIC RESISTANCE MOVEMENT), Gaza; West Bank Territories; Jordan [SDT]
HAMDAN (YIHM) Tug 387DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
HANUMAN (n.k.a. KING LION; f.k.a. BOKA) (9HUQ3) General Dry Cargo 13,688GT Malta Flag (Worldwide Ocean Chartering Group [South Adriatic Bulk Shipping Ltd.]) (vessel) [FRY S&M]
HAVANA INTERNATIONAL BANK, LTD., 20 Ironmonger Lane, London EC2V 8EY, England [CUBA]
HAVANATUR, 54 Rue Richelieu, Paris, France [CUBA]
HAVANATUR, S.A., Hialeah, Florida, U.S.A. [CUBA]
HAVANATUR, S.A., Panama City, Panama [CUBA]
HAVINPEX, S.A. (a.k.a. TRANSOVER, S.A.) Panama City, Panama [CUBA]
HAWATMA, Nayif (a.k.a. HAWATMEH, Nayif; a.k.a. HAWATMAH, Nayif; a.k.a. KHALID, Abu); Secretary General of DEMOCRATIC FRONT FOR THE LIBERATION OF PALESTINE - HAWATMEH FACTION, DOB 1933 (individual) [SDT]
HAWATMAH, Nayif (a.k.a. HAWATMA, Nayif; a.k.a. HAWATMEH, Nayif, a.k.a. KHALID, Abu), Secretary General of DEMOCRATIC FRONT FOR THE LIBERATION OF PALESTINE - HAWATMEH FACTION, DOB 1933 (individual) [SDT]
HAWATMEH, Nayif (a.k.a. HAWATMA, Nayif; a.k.a. HAWATMAH, Nayif, a.k.a. KHALID, Abu); Secretary General of DEMOCRATIC FRONT FOR THE LIBERATION OF PALESTINE - HAWATMEH FACTION, DOB 1933 (individual) [SDT]
HAYA, Francisco, Panama (individual) [CUBA]
HEET (N/A) Tug 89DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
HELFORD DIRECTORS LIMITED, Haven Court, 5 Library Ramp, Gibraltar [IRAQ]
HELINCO LTD., Amenlas 10, Athens 134, Greece [FRY S&M]
HELSER LTD., 7 Lassani Street, Thiseos 64 Ampelokipi, Thessaloniki, Greece [FRY S&M]
HEMCL (a.k.a. HOLBORN EUROPEAN MARKETING COMPANY LIMITED), Miranda Court No. 1, Ipirou Street, P.O. Box 897, Larnaca, Cyprus [LIBYA]
HEMCL (a.k.a. HOLBORN EUROPEAN MARKETING COMPANY LIMITED), Hofplein 33, 3011 AJ Rotterdam, Netherlands [LIBYA]
HEMOFARM, Vrsac, Vojvodina (Serbia) [FRY S&M]
HEMPRO, Belgrade, Serbia [FRY S&M]
HEMPRO BELGRADE, Mala Stepanska 15, Prague, Czech Republic [FRY S&M]
HEMPRO-BELGRADE REPRESENTATION, Str Uilam Gladston 38 fl 1, 1000 Sofia, Bulgaria [FRY S&M]
HEMPRO - EXPORT UND IMPORT GMBH, Luisenstrasse 46 IV, 1040 Berlin, Germany [FRY S&M]
HEMPRO EXPORT UND IMPORT GMBH, Luisenstrasse 46 IV, 1040 Berlin, Germany [FRY S&M]
HEMPRO-JUGOSLAWISCH-DEUTSCHE GMBH, Eschersheimer Landstrasse 61, 6000 Frankfurt am Main, Germany [FRY S&M]
HEMPRO, Kutuzovskii Prospekt d 13 kv 2, Moscow, Russia [FRY S&M]
HENDERSON, Paul, 4 Copt Oak Close, Tile Mill, Coventry, Warwickshire, England (individual) [IRAQ]
HER (a.k.a. HOLBORN EUROPA RAFFINERIE GmbH), Moorburger Strasse 16, D-2100 Hamburg 90, Germany [LIBYA]
HER (a.k.a. HOLBORN EUROPA RAFFINERIE GmbH), Rothenbaumchaussee 5, 4th Floor, D-2000 Hamburg 13, Germany [LIBYA]
HERCEG NOVI (9HUN3) General Dry Cargo 9,698GT Malta Flag (South Cross Shipping Ltd.) (vessel) [FRY S&M]
HERMANN (Guamar Shipping Co., S.A., Panama; formerly owned by Hermann Shipping Corp., Inc., Panama) (vessel) [CUBA]
HERMANN SHIPPING CORP., INC., Panama [CUBA]
HERNANDEZ, Alexis Eneilo (CARBALLOSA), Milan, Italy (individual) [CUBA]
HEYWOOD NAVIGATION CORP., Panama [CUBA]
HIBOOB (n.k.a. AL-BAYAA) (HNHB) Barge 1,662DWT Iraqi flag (Iraqi State Enterprise for Water Transport) (vessel) [IRAQ]
HICL (a.k.a. HOLBORN INVESTMENT COMPANY LIMITED), Miranda Court No. 1, Ipirou Street, P.O. Box 897, Larnaca, Cyprus [LIBYA]
HILLAH (YIAR) Service 6,709DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
HIMREEN (YIHN) Service 508DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
HIP-PETROHEMIJA, Pancevo, Vojvodina (Serbia) [FRY S&M]
HIPOZAL BANKA, all offices worldwide [FRY S&M]
HISAR - FABRIKA ZA PRERADU VOCA I POVRCA (a.k.a. CANNED FRUIT AND VEGETABLE PRODUCTION OF PROKUPLJE), Prokuplje, Serbia [FRY S&M]
HITTIN (HNHT) Tanker 155,210DWT Iraqi flag (Iraqi Oil Tankers Company) (vessel) [IRAQ]
HIZBALLAH (a.k.a. PARTY OF GOD; a.k.a. ISLAMIC JIHAD; a.k.a. REVOLUTIONARY JUSTICE ORGANIZATION; a.k.a. ORGANIZATION OF THE OPPRESSED ON EARTH; a.k.a. ISLAMIC JIHAD FOR THE LIBERATION OF PALESTINE, a.k.a. ANSAR ALLAH; a.k.a. FOLLOWERS OF THE PROPHET MUHAMMAD), Lebanon [SDT]
HOLBORN EUROPA RAFFINERIE GmbH (a.k.a. HER), Moorburger Strasse 16, D-2100 Hamburg 90, Germany [LIBYA]
HOLBORN EUROPA RAFFINERIE GmbH (a.k.a. HER), Rothenbaumchaussee 5, 4th Floor, D-2000 Hamburg 13, Germany [LIBYA]
HOLBORN EUROPEAN MARKETING COMPANY LIMITED (a.k.a. HEMCL), Miranda Court No. 1, Ipirou Street, P.O. Box 897, Larnaca, Cyprus [LIBYA]
HOLBORN EUROPEAN MARKETING COMPANY LIMITED (a.k.a. HEMCL), Hofplein 33, 3011 AJ Rotterdam, Netherlands [LIBYA]
HOLBORN INVESTMENT COMPANY LIMITED (a.k.a. HICL), Miranda Court No. 1, Ipirou Street, P.O. Box 897, Larnaca, Cyprus [LIBYA]
HOTEL MILANO DUE, Gzira, Malta [FRY S&M]
HUNTSLAND (Huntsland Navigation Co., Ltd., Malta) (vessel) [CUBA]
HUNTSLAND NAVIGATION CO., LTD., Valletta, Malta [CUBA]
HUNTSVILLE (Huntsville Navigation Co., Ltd., Malta) (vessel) [CUBA]
HUNTSVILLE NAVIGATION CO., LTD., Valletta, Malta [CUBA]
HURACAN (Senanque Shipping Co., Ltd., Cyprus) (vessel) [CUBA]
HUSAYN, Saddam (a.k.a. HUSSEIN Saddam; a.k.a. HUSSAIN Saddam), President and Prime Minister; DOB 28 Apr 37; Iraq (individual) [IRAQ]*
HUSSAIN Saddam (a.k.a. HUSSEIN Saddam; a.k.a. HUSAYN, Saddam), President and Prime Minister; DOB 28 Apr 37, Iraq (individual) [IRAQ]*

HUSSEIN Saddam (a.k.a. HUSAYN, Saddam; a.k.a. HUSSAIN Saddam), President and Prime Minister; DOB 28 Apr 37; Iraq (individual) [IRAQ]*
HUSSEIN, Udai Saddam, Baghdad, Iraq (individual) [IRAQ]
HYALITE (Whiteswan Shipping Co., Ltd., Cyprus) (vessel) [CUBA]
I.G.C. LTD., 57 Ledra Street No. 7, Nicosia, Cyprus [FRY S&M]
I.P.C. INTERNATIONAL LIMITED, England [IRAQ]
I.P.C. MARKETING LIMITED, England [IRAQ]
I.P.T. COMPANY, INC., Warminster, PA, U.S.A. [FRY S&M]
IBN KHALDOON (HNIN) Service 12,670DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
IBN MAJID 6 (N/A) Service DWT N/A Saudi Arabian Flag (Iraqi State Company for Oil Projects) (vessel) [IRAQ]
IBN SHATWAN, Fathi, Secretary of Industry of the Government of Libya, Libya; DOB 1950 (individual) [LIBYA]*
IBRAHIM, Muhammad Ahmad, Secretary of Information, Culture, and Mass Mobilization of the Government of Libya, Libya (individual) [LIBYA]*
ICN-GALENIKA, Belgrade, Serbia [FRY S&M]
IGALO (YUFC) Ferry 299GT Yugoslavia Flag (Komunalno Poduzece) (vessel) [FRY S&M]
IJLTC (a.k.a. IRAQI-JORDANIAN LAND TRANSPORT COMPANY; a.k.a. IRAQI-JORDANIAN OVERLAND TRANSPORT COMPANY; a.k.a. IRAQ-JORDAN LAND TRANSPORT COMPANY), P.O. Box 5134, 4th Circle, Jabal, Amman, Jordan [IRAQ]
IKARUS, Belgrade, Serbia [FRY S&M]
IKL (a.k.a. INDUSTRIJA KOTRLJAJUCIH LEZAJA), Kneza Danila 23-25, 11000 Belgrade Serbia [FRY S&M]
ILIC, Vladimir; Diplomat of SRBH, Bosnia-Herzegovina (individual) [SRBH]
IMHEJRAN (YIMH) Tug 386DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
IMI, Dragomira Vukovica BB, 38300 Pec, Kosovo, Serbia [FRY S&M]
IMI, Palmira Toljatija 3, 11070 Novi Beograd, Serbia [FRY S&M]
IMK 14 OKTOBAR (a.k.a. METALWORKING MACHINES AND COMPONENTS INDUSTRY 14 OCTOBER), Krusevac, Serbia [FRY S&M]
IMLEK, Zajecar, Serbia [FRY S&M]
IMPERATORI, Julio A., Managing Director, Havana International Bank, 20 Ironmonger Lane, London EC2V 8EY, England (individual) [CUBA]
IMPEX OVERSEAS CORPORATION, New York, NY, U.S.A. [FRY S&M]
IMPEXPRODUKT Wipplingerstrasse 36, 1010 Vienna, Austria [FRY S&M]
IMPREGNACIJA DRVETA, Kolasin, Montenegro [FRY S&M]
IMPRISA, S.A., Panama [CUBA]
IMPRISA, Spain [CUBA]
IMR - INDUSTRIJA MOTORA RAKOVICA (a.k.a. MOTOR INDUSTRY OF RAKOVICA), Belgrade Serbia [FRY S&M]
IMT - INDUSTRIJA MOTORA I TRAKTORA (a.k.a. MACHINES AND TRACTORS INDUSTRY), Belgrade, Serbia [FRY S&M]
INCETRA ETABLISSEMENT S.A., Corso Elvezia 10/II, Lugano, Switzerland [FRY S&M]
INCETRA ETABLISSEMENT S.A., Vaduz, Liechtenstein [FRY S&M]
INDUSTRIAIMPEX, Marka Miljanova 17, 81000 Podgorica, Montenegro [FRY S&M]
INDUSTRIAIMPORT, Vuka Karadzica 41, 81000 Podgorica, Montenegro [FRY S&M]
INDUSTRIAL BANK (a.k.a. INDUSTRIAL BANK OF IRAQ), P.O. Box 5825 Al-Jamhourya St. Baghdad, Iraq (including but not limited to branches located in Mosul, Iraq; Kirkuk, Iraq; Hilla, Iraq; Kerbala, Iraq; Basrah, Iraq; Arbil, Iraq; Najaf, Iraq; Sulaymania, Iraq) [IRAQ]
INDUSTRIAL BANK OF IRAQ (a.k.a. INDUSTRIAL BANK) P.O. Box 5825 Al-Jamhourya St. Baghdad, Iraq (including but not limited to branches located in Mosul, Iraq; Kirkuk, Iraq; Hilla, Iraq; Kerbala, Iraq; Basrah, Iraq; Arbil, Iraq; Najaf, Iraq; Sulaymania, Iraq) [IRAQ]
INDUSTRIJA ALATA, Trebinje, Bosnia-Herzegovina [FRY S&M]
INDUSTRIJA KABLOVA, Svetozarevo, Serbia [FRY S&M]
INDUSTRIJA KOTRLJAJUCIH LEZAJA (a.k.a. IKL), Kneza Danila 23-25, 11000 Belgrade, Serbia [FRY S&M]
INDUSTRIJAIMPORT, Podgorica, Montenegro [FRY S&M]
INEC ENGINEERING CO. LTD., 175 Regent Street, London W1, England [FRY S&M]
INEC UK LTD., R/O Albion Street, London, W2 2AS England [FRY S&M]
INEX (a.k.a. INEX-INTEREXPORT LTD.; a.k.a. INTEREXPORT LTD. CO.), 27 Marta 69, Belgrade, Serbia [FRY S&M]
INEX AG, Bahnhofquai 15, 8001 Zurich, Switzerland [FRY S&M] and all offices worldwide, including, but not limited to:
- INEX AG, Schottengasse 4/17, 1010 Vienna, Austria [FRY S&M]
- INEX AG, Milan, Italy [FRY S&M]
- INEX AG, Paris, France [FRY S&M]
- INEX AG, Istanbul, Turkey [FRY S&M]

INEX BANKA d.d., all offices worldwide [FRY S&M]
INEX FRANCE SARL 40 rue des Mathurins, 75008 - Paris, France [FRY S&M]
INEX GMBH (a.k.a. INEX IMPORT EXPORT GMBH), all offices worldwide [FRY S&M], including, but not limited to:
- INEX GMBH (a.k.a. INEX IMPORT EXPORT GMBH), Filialgeschaefte 1, 4330 Muelheim, Germany [FRY S&M]
- INEX GMBH (a.k.a. INEX IMPORT EXPORT GMBH), Niederlassung, Luisenstrasse 46, 1040 Berlin, Germany [FRY S&M]
- INEX GMBH (a.k.a. INEX IMPORT EXPORT GMBH), Stiftstrasse 30/121, Frankfurt am Main, Germany [FRY S&M]
- INEX GMBH (a.k.a. INEX IMPORT EXPORT GMBH), Schwanthaler Street 3W, 8000 Munich, Germany [FRY S&M]

INEX IMPORT EXPORT GMBH (a.k.a. INEX GMBH), all offices worldwide [FRY S&M], including, but not limited to:
- INEX IMPORT EXPORT GMBH (a.k.a. INEX GMBH), Stiftstrasse 30/121, Frankfurt am Main, Germany [FRY S&M]
- INEX IMPORT EXPORT GMBH (a.k.a. INEX GMBH), Schwanthaler Street 3W, 8000 Munich, Germany [FRY S&M]
- INEX IMPORT EXPORT GMBH (a.k.a. INEX GMBH), Filialgeschaefte 1, 4330 Muelheim, Germany [FRY S&M]
- INEX IMPORT EXPORT GMBH (a.k.a. INEX GMBH), Niederlassung, Luisenstrasse 46, 1040 Berlin, Germany [FRY S&M]

INEX-INTEREXPORT, all offices worldwide [FRY S&M], including, but not limited to:
- INEX-INTEREXPORT, Pruga e Kongresit e Permetit 192-196, Tirana, Albania [FRY S&M]
- INEX-INTEREXPORT, 24, Boulevard Youcef Zirout, Algiers, Algeria [FRY S&M]
- INEX-INTEREXPORT, Vienna, Austria [FRY S&M]
- INEX-INTEREXPORT, Road 7, House 42/F, Banani/Dhaka-13, Bangladesh [FRY S&M]
- INEX-INTEREXPORT, U1 Oborishte 9, Sofia, Bulgaria [FRY S&M]
- INEX-INTEREXPORT, 4-2-81 Jianguomenwai, Beijing, China [FRY S&M]
- INEX-INTEREXPORT, Linea No. 5e/NyO Vedado, Havana, Cuba [FRY S&M]
- INEX-INTEREXPORT, Sokolovska 93/III, Prague 3-Karlin, Czech Republic [FRY S&M]
- INEX-INTEREXPORT, 12, Mohamed Talaat Nooman Street, Alexandria, Egypt [FRY S&M]
- INEX-INTEREXPORT, 16, Cherif Street app. 21-22, Cairo, Egypt [FRY S&M]
- INEX-INTEREXPORT, Joanu Ipgonandou 6 str. 55236, Thessaloniki, Greece [FRY S&M]
- INEX-INTEREXPORT, Dozsa Gyorgy ut 92/b, Budapest VI, Hungary [FRY S&M]
- INEX-INTEREXPORT, No. 149, Ave Iranshahr, Shomali Bldg. 555, 5th Floor, Tehran, Iran [FRY S&M]
- INEX-INTEREXPORT, 6 B (Duplex Annex) Saeet Hali Road, M.A.C.H.S., Karachi, Pakistan [FRY S&M]
- INEX-INTEREXPORT, Szpitalna 6, Warsaw, Poland [FRY S&M]
- INEX-INTEREXPORT, Dumitru Lemnea Nr. 3/3 ap. 7, Bucharest, Romania [FRY S&M]
- INEX-INTEREXPORT, Krasnogvardejski Projezd 25, Gostinica Sojuz II, Moscow, Russia [FRY S&M]
- INEX-INTEREXPORT, Kutuzovski Prospekt 7/4, Korpus No. 6 Biro 38, Moscow, Russia [FRY S&M]
- INEX-INTEREXPORT, Lenina 2, Tyumen, Russia [FRY S&M]
- INEX-INTEREXPORT, Culenova 5/1, 381646 Bratislava, Slovak Republic [FRY S&M]
- INEX-INTEREXPORT, Palacio de la Prenso, Plaza Callao 4-70 B, 13 Madrid, Spain [FRY S&M]

INEX-INTEREXPORT ENGINEERING, 4, Shawarbi Street, Apt. #5, Cairo, Egypt [FRY S&M]
INEX-INTEREXPORT HIP DEVELOPMENT AND ENGINEERING CONSORTIUM TRIPOLI, That Al Emad Complex, Tripoli, Libya [FRY S&M]
INEX-INTEREXPORT LTD (a.k.a. INTEREXPORT LTD. CO.; a.k.a. INEX), 27 Marta 69, Belgrade, Serbia [FRY S&M]
INEX ITALIANA SRL, all offices worlwide [FRY S&M], including, but not limited to, the following:
- INEX ITALIANA SRL, Via Antonio de Recante 4y, 20124 Milan, Italy [FRY S&M]
- INEX ITALIANA SRL, XX Settembre 3/2, 34121 Trieste, Italy [FRY S&M]

INEX PETROL AG, Karntner Ring 17/15, A-1010 Vienna, Austria [FRY S&M]
INEX PETROL AG, Bahnhofquai 15, 8001 Zurich, Switzerland [FRY S&M]
INEX TOURS INTERNATIONAL SRL, Via Vittor Pisani, 20124 Milan, Italy [FRY S&M]
INEX TURIST, Belgrade, Serbia [FRY S&M]
INEXAMER COMMERCIAL CORPORATION, New York, NY, U.S.A. [FRY S&M]
INEXPRODUCT LTD., 40-43, Chancery Lane, London W.C. 2, England [FRY S&M]
INFORMATIKA, Belgrade, Serbia [FRY S&M]
ING. Dr., Bd. Magheru 24 et III, AP. 18, Sector 1, Bucharest, Romania (address of EAST POINT HOLDINGS) (individual) [FRY S&M]
INKOTEHNA, Belgrade, Serbia [FRY S&M]
INLIT SRL, V. le Vittorio Veneto 24, 20124 Milan, Italy [FRY S&M]
INOS, Belgrade, Serbia [FRY S&M]
INPEA, Kursovoi Per 1 KV 3, Moscow, Russia [FRY S&M]
INPEA, Romania [FRY S&M]
INPEA (OVERSEAS) LTD, 284 Archbishop Makarios III Avenue, Fortuna Bldg. Block B, 2nd Floor, Limassol, Cyprus [FRY S&M]
INPROM, Podgorica, Montenegro [FRY S&M]
INSTALACIONES INDUSTRIALES PENINSULARES, Calle 35 No. 498-A, ZP 97, Merida, Mexico [CUBA]
INSTITUT B.K., Palmira Toljatija 3, 11070 Novi Beograd, Serbia [FRY S&M]
INSTITUT MIHAJLO PUPIN, Belgrade, Serbia [FRY S&M]
INSTITUT ZA SISTEME, Belgrade, Serbia [FRY S&M]
INSTITUT ZA SPOLJNU TRGOVINU (a.k.a. FOREIGN TRADE INSTITUTE), Belgrade, Serbia [FRY S&M]
INSTITUTO NACIONAL DE TURISMO DE CUBA, Spain [CUBA]
INTERCONSULT, Panama [CUBA]
INTEREXPORT BRUXELLES, Blvd. E Jacqmain 162, WTC-V19e etage, 1000 Brussels, Belgium [FRY S&M]
INTEREXPORT, Belgrade, Serbia [FRY S&M]
INTEREXPORT COMPANY LTD., Mutende Road, Woodlands Residential Area, Lusaka, Zambia [FRY S&M]
INTEREXPORT LTD. CO. (a.k.a. INEX; a.k.a. INEX-INTEREXPORT LTD), 27 Marta 69, Belgrade, Serbia [FRY S&M]
INTERKOMERC, Belgrade, Serbia [FRY S&M]
INTERNATIONAL GENEX BANK, all offices worldwide [FRY S&M]
INTERNATIONAL HOLDING COMPANY, Luxembourg Ville, Luxembourg [LIBYA]
INTERNATIONAL PETROLEUM, S.A., (a.k.a. IPESCO), Colon Free Zone, Panama [CUBA]
INTERNATIONAL TRADE MARKETING, Belgrade, Serbia [FRY S&M]

INTERNATIONAL TRANSPORT CORPORATION, Colon Free Zone, Panama [CUBA]
INTERPROGRESS A.G., Renggerstrasse 50 CH-8037, Zurich, Switzerland [FRY S&M]
INTERPROGRESS EUROPE, 16 Avenue Hoche, 75008 Paris, France [FRY S&M]
INTERPROGRESS FRANKFURT (a.k.a. INTERPROGRESS GMBH), Hermann-Mattern Strasse 46/III, Zweigstelle, Berlin, Germany [FRY S&M]
INTERPROGRESS FRANKFURT (a.k.a. INTERPROGRESS GMBH), Reuterweg 93, 6000 Frankfurt am Main, Germany [FRY S&M]
INTERPROGRESS GMBH (a.k.a. INTERPROGRESS FRANKFURT), Hermann-Mattern Strasse 46/III, Zweigstelle, Berlin, Germany [FRY S&M]
INTERPROGRESS GMBH (a.k.a. INTERPROGRESS FRANKFURT), Reuterweg 93, 6000 Frankfurt am Main, Germany [FRY S&M]
INTERPROGRESS IMPORT EXPORT CO. LTD., 63-66 Hatton Garden, EC1N 8LE London, England [FRY S&M]
INTERPROGRESS PRT. LTD., P.O. Box 937, Pymble NSW 2073, Sydney, Australia [FRY S&M]
INTERPROGRESS S.T.R.I., 16 Avenue Hoche, 75008 Paris, France [FRY S&M]
INTERPROGRESS TRADING CORPORATION, New York, NY, U.S.A. [FRY S&M]
INTERSERVIS, Vojvodina (Serbia) [FRY S&M]
INTERTEHNA, Belgrade, Serbia [FRY S&M]
INTYBRA REPRESENTACAO & COMERCIO SA, Rua Visc de Inhauma 134 S/927, Rio de Janeiro, Brazil [FRY S&M]
INVERSIONES LUPAMAR, S.A., (a.k.a. LUPAMAR INVESTMENT COMPANY), Panama [CUBA]
INVEST-COMMERCE SARL, 65 Rue de Paris, 92110 Clichy, France [FRY S&M]
INVEST-IMPORT, Belgrade, Serbia [FRY S&M], all offices worldwide, including, but not limited to:
- INVEST-IMPORT ALGERIA, 2 Chemin Abdelcrim Dzin Villa, Samarcande El Biar, Algiers, Algeria [FRY S&M]
- INVEST-IMPORT BURMA, Sule Pagoda Road 136, Rangoon, Burma [FRY S&M]
- INVEST-IMPORT CHINA, Embassy of the FRY, Commercial Bureau, 1-22 Diplomatic Office Building, San Li Tun, Beijing, China [FRY S&M]
- INVEST-IMPORT CZECH REPUBLIC, Prague, Czech Republic [FRY S&M]
- INVEST-IMPORT EGYPT, 21 Ahmed Orabi Str., Mohandessin, Cairo, Egypt [FRY S&M]
- INVEST-IMPORT, Hermann-Mattern Strasse 46, 1040 Berlin, Germany [FRY S&M]
- INVEST-IMPORT IRAN, Blvd. No. 202, 4th Floor, Taleghani Avenue Sepahbod Gharani Crossroad, Tehran, Iran [FRY S&M]
- INVEST-IMPORT IRAQ, P.O. Box 631, Baghdad, Iraq [FRY S&M]
- INVEST-IMPORT LIBYA, Shara Omar Mukatar 310/III, Office 11, Tripoli, Libya [FRY S&M]
- INVEST-IMPORT, Somonovsku per. 1, Moscow, Russia [FRY S&M]
- INVEST-IMPORT -U EXPORT GMBH, Graf-Adolf-Strasse 72-74, 4000 Dusseldorf 1, Germany [FRY S&M]
- INVEST-IMPORT UAE, Arbift Tower, Office No. 1503, Dubai, United Arab Emirates [FRY S&M]

INVESTACAST PRECISION CASTINGS, LTD., 112 City Road, London, England [IRAQ]
INVESTBANKA (a.k.a. OSNOVNA PRIVREDNO-INVESTICIONA BANKA), all offices worldwide (Bank is headquartered in Belgrade, Serbia) [FRY S&M]
INVESTBANKA BELGRADE, all offices worldwide [FRY S&M]
INVESTICIONA BANKA TITOGRAD (a.k.a. MONTENEGROBANKA d.d.), all offices worldwide (Bank is headquartered in Podgorica, Montenegro) [FRY S&M] including, but not limited to:
- INVESTICIONA BANKA TITOGRAD (a.k.a. MONTENEGROBANKA d.d.), Bulevar Revolucije 1, P.O. Box 183, 81001 Podgorica, Montenegro [FRY S&M]

INVESTINZENJERING, Belgrade, Serbia [FRY S&M]
IOANNIDES, Pambos, 2 Sofoules Street, Chanteclair Bldg., 2nd Floor No. 205, Nicosia, Cyprus (individual) [FRY S&M]
IPESCO, Panama (a.k.a. INTERNATIONAL PETROLEUM, S.A.), Colon Free Zone, Panama [CUBA]
IRAQI AIRWAYS, 1211 Avenue of the Americas, New York, New York 10036, U.S.A. [IRAQ]
IRAQI AIRWAYS, 25040 Southfield Road, Southfield, Michigan 48075, U.S.A. [IRAQ]
IRAQI AIRWAYS, 27, Ulica Grojecka, Central Warsaw, Poland [IRAQ]
IRAQI AIRWAYS, 4 Lower Regent Street, London SW1Y 4P, England [IRAQ]
IRAQI AIRWAYS, 5825 W. Sunset Blvd., #218, Los Angeles, California 90028, U.S.A. [IRAQ]
IRAQI AIRWAYS, Abu Dhabi, United Arab Emirates [IRAQ]
IRAQI AIRWAYS, Ankara, Turkey [IRAQ]
IRAQI AIRWAYS, Belgrade, Serbia [IRAQ]
IRAQI AIRWAYS, Building 68, J.F.K. International Airport, Jamaica, New York 11430, U.S.A. [IRAQ]
IRAQI AIRWAYS, Casablanca, Morocco [IRAQ]
IRAQI AIRWAYS, Copenhagen, Denmark [IRAQ]
IRAQI AIRWAYS, General Service Agent, Bangladeshi-Owned Travel Agency, Dhaka, Bangladesh [IRAQ]
IRAQI AIRWAYS, Jianguomenwai Diplomatic Housing Compound, Building 7-1, 5th Floor, Apartment 4, Beijing, People's Republic of China [IRAQ]
IRAQI AIRWAYS, Main Eisenhuttenplatz 26, Frankfurt 6, Germany [IRAQ]
IRAQI AIRWAYS, Moscow, Russia [IRAQ]
IRAQI AIRWAYS, Nekazanka 3, Prague 1, Czechoslovakia [IRAQ]
IRAQI AIRWAYS, Netherlands [IRAQ]
IRAQI AIRWAYS, Opernring 6, 1010 Wien, Vienna, Austria [IRAQ]
IRAQI AIRWAYS, Prague Airport, Prague, Czechoslovakia [IRAQ]
IRAQI AIRWAYS, Rio de Janeiro, Brazil [IRAQ]
IRAQI AIRWAYS, Rome, Italy [IRAQ]
IRAQI AIRWAYS, Saddam International Airport, Baghdad, Iraq [IRAQ]
IRAQI AIRWAYS, Sanaa, Yemen [IRAQ]
IRAQI AIRWAYS, Tokyo, Japan [IRAQ]
IRAQI AIRWAYS, Tunis, Tunisia [IRAQ]
IRAQI ALLIED SERVICES LIMITED, England [IRAQ]
IRAQI FREIGHT SERVICES LIMITED, England [IRAQ]
IRAQI-JORDANIAN LAND TRANSPORT COMPANY (a.k.a. IJLTC; a.k.a. IRAQI-JORDANIAN OVERLAND TRANSPORT COMPANY; a.k.a. IRAQ-JORDAN LAND TRANSPORT COMPANY), P.O. Box 5134, 4th Circle, Jabal, Amman, Jordan [IRAQ]
IRAQI-JORDANIAN OVERLAND TRANSPORT COMPANY (a.k.a. IJLTC; a.k.a. IRAQI-JORDANIAN LAND TRANSPORT COMPANY; a.k.a. IRAQ-JORDAN LAND TRANSPORT COMPANY), P.O. Box 5134, 4th Circle, Jabal, Amman, Jordan [IRAQ]
IRAQI REINSURANCE COMPANY, 31-35 Fenchurch Street, London EC3M 3D, England [IRAQ]
IRAQI STATE ENTERPRISE FOR FOODSTUFFS TRADING, P.O. Box 2839, Calcutta 700 001, India [IRAQ]
IRAQI STATE ENTERPRISE FOR FOODSTUFFS TRADING, P.O. Box 1308, Colombo 3, Sri Lanka [IRAQ]
IRAQI STATE ENTERPRISE FOR MARITIME TRANSPORT, Amman, Jordan [IRAQ]
IRAQI STATE ENTERPRISE FOR MARITIME TRANSPORT, Bremen, Germany [IRAQ]
IRAQI TRADE CENTER, Dubai, United Arab Emirates [IRAQ]
IRAQ-JORDAN LAND TRANSPORT COMPANY (a.k.a. IJLTC; a.k.a. IRAQI-JORDANIAN LAND TRANSPORT COMPANY; a.k.a. IRAQI-JORDANIAN OVERLAND TRANSPORT COMPANY), P.O. Box 5134, 4th Circle, Jabal, Amman, Jordan [IRAQ]
ISLAMBOULI, Mohammad Shawqi, Military Leader of ISLAMIC GAMA'AT; DOB 15 Jan 1955; POB Egypt; Passport No. 304555 (Egypt) (individual) [SDT]
ISLAMIC GAMA'AT (a.k.a. GAMA'AT; a.k.a. GAMA'AT AL-ISLAMIYYA; a.k.a. THE ISLAMIC GROUP; a.k.a. AL-GAMA'A AL-ISLAMIYYA), Egypt [SDT]
ISLAMIC JIHAD (a.k.a. PARTY OF GOD; a.k.a. HIZBALLAH; a.k.a. REVOLUTIONARY JUSTICE ORGANIZATION; a.k.a. ORGANIZATION OF THE OPPRESSED ON EARTH; a.k.a. ISLAMIC JIHAD FOR THE LIBERATION OF PALESTINE; a.k.a. ANSAR ALLAH; a.k.a. FOLLOWERS OF THE PROPHET MUHAMMAD), Lebanon [SDT]
ISLAMIC JIHAD FOR THE LIBERATION OF PALESTINE (a.k.a. PARTY OF GOD; a.k.a. HIZBALLAH; a.k.a. ISLAMIC JIHAD; a.k.a. REVOLUTIONARY JUSTICE ORGANIZATION; a.k.a. ORGANIZATION OF THE OPPRESSED ON EARTH; a.k.a. ANSAR ALLAH; a.k.a. FOLLOWERS OF THE PROPHET MUHAMMAD), Lebanon [SDT]
ISLAMIC JIHAD OF PALESTINE (a.k.a. PIJ; a.k.a. PALESTINIAN ISLAMIC JIHAD - SHIQAQI; a.k.a. PIJ SHIQAQI/AWDA FACTION; a.k.a. PALESTINIAN ISLAMIC JIHAD), Israel; Jordan; Lebanon [SDT]
ISLAMIC RESISTANCE MOVEMENT (a.k.a. HAMAS), Gaza; West Bank Territories; Jordan [SDT]
ITALKOPRODUCT, Piazza Cavour 3, 20121 Milan, Italy [FRY S&M]
ITRANS, Serbia [FRY S&M]
IVANGRAD (n.k.a. BRISA) (9HTB3) General Dry Cargo 13,651GT Malta Flag (Oktoih Overseas Shipping Ltd) (vessel) [FRY S&M]
IVO LOLA RIBAR - Beograd, Belgrade, Serbia [FRY S&M]
J&K LTD. (a.k.a. JNK LTD.), Wildwoods, Theobalds Park Rd., Crews Hill, Enfield, Middlesex, England [FRY S&M]
J.I.B. INSPECTION LTD. (a.k.a. JUGOINSPEKT LTD.; a.k.a. JUGOINSPEKT (CYPRUS) LTD.), 57 Ledra St, No. 7, Nicosia, Cyprus [FRY S&M]
J.U.B. HOLDINGS LTD, 2 Sofoules Street, Chanteclair Bldg., 2nd Floor, No. 205, Nicosia, Cyprus; registered address: Xenios Commercial Centre, Archbishop Makarios III Avenue, Suite 504, Nicosia, Cyprus [FRY S&M]
JABHA (YIJA) Tug 244DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
JABRIL, Ahmad (a.k.a. JIBRIL, Ahmad); Secretary General of POPULAR FRONT FOR THE LIBERATION OF PALESTINE - GENERAL COMMAND; DOB 1938; POB Ramleh, Israel (individual) [SDT]
JAMAHIRIYA BANK (f.k.a. MASRAF AL-GUMHOURIA), (38 local branches in Libya) [LIBYA]
JAMAHIRIYA BANK (f.k.a. MASRAF AL-GUMHOURIA), Emhemed Megnef Street, Tripoli, Libya [LIBYA]
JAMAHIRIYA BANK (f.k.a. MASRAF AL-GUMHOURIA), P.O. Box 3224, Martyr Street, Meganef, Tripoli, Libya [LIBYA]
JAMAHIRIYA BANK (f.k.a. MASRAF AL-GUMHOURIA), P.O. Box 1291, Benghazi, Libya [LIBYA]
JAMBUR (HNJM) Tanker 35,338DWT Iraqi flag (Iraqi Oil Tankers Company) (vessel) [IRAQ]
JAMHORIA (YIJR) Tug 368DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
JANUARY SHUHADA (MARTYRS) PLANT, Libya [LIBYA]
JARACO S.A. (a.k.a. SOKTAR; f.k.a. TRADACO S.A.), 45 Route de Frontenex, CH-1207 Geneva, Switzerland [IRAQ]
JARDINE HOUSE, 6 Crutched Friars, London EC3N 2HT, England [LIBYA]
JASIM, Latif Nusayyif (a.k.a. JASSEM Latif Nassif), Minister of Labor and Social Affairs; DOB 1941, Baghdad, Iraq (individual) [IRAQ]*
JASSEM Latif Nassif (a.k.a. JASIM, Latif Nusayyif), Minister of Labor and Social Affairs; DOB 1941, Baghdad, Iraq (individual) [IRAQ]*
JAT (a.k.a. JAVNO PREDUZECE ZA VAZDUSNI SAOBRACAJ; a.k.a. JUGOSLOVENSKI AEROTRANSPORT; a.k.a. YUGOSLAV AIRLINES), Belgrade, Serbia; all offices worldwide [FRY S&M]
JAVNO PREDUZECE PTT SRBIJE (a.k.a. PUBLIC ENTERPRISE OF POST, TELEGRAPH, AND TELEPHONE OF SERBIA), Serbia [FRY S&M]
JAVNO PREDUZECE ZA VAZDUSNI SAOBRACAJ (a.k.a. JAT; a.k.a. JUGOSLOVENSKI AEROTRANSPORT; a.k.a. YUGOSLAV AIRLINES), Belgrade, Serbia, all offices worldwide [FRY S&M]

JAWABY TECHNICAL SERVICES LIMITED (a.k.a. TEKXEL LIMITED), London, England [LIBYA]
JAWAD, Dr. Safa Hadi (a.k.a. AL-HABUBI, Dr. Safa Hadi Jawad; a.k.a. HABUBI, Dr. Safa Hadi Jawad, a.k.a. HABUBI, Dr Safa Jawad, or a.k.a. AL-HABOBI, Dr. Safa; a.k.a. AL-HABOBI, Dr. Safa Haji J.), Minister of Oil; DOB 01 Jul 46; Flat 4D Thorney Court, Palace Gate, Kensington, England; Iraq (individual) [IRAQ]*
JB INTERNATIONAL SHIPPING AND COMMERCIAL GMBH, Alter Wall 36, 2000 Hamburg 11, Germany [FRY S&M]
JERMA PALACE HOTEL, Maarsancala, Malta [LIBYA]
JIBRIL, Ahmad (a.k.a. JABRIL, Ahmad); Secretary General of POPULAR FRONT FOR THE LIBERATION OF PALESTINE - GENERAL COMMAND; DOB 1938; POB Ramleh, Israel (individual) [SDT]
JIHAD GROUP (a.k.a. AL-JIHAD; a.k.a. VANGUARDS OF CONQUEST; a.k.a. TALAA'AL AL-FATEH), Egypt [SDT]
JIK BANKA d.d. (a.k.a. JUGOSLOVENSKA IZVOZNA I KREDITNA BANKA d.d.; a.k.a. YUGOSLAV EXPORT AND CREDIT BANK INC.), P.O. Box 234, Knez Mihailova 42, 11000 Belgrade, Serbia [FRY S&M], all offices worldwide, including, but not limited to:
- JIK BANKA d.d. (a.k.a. JUGOSLOVENSKA IZVOZNA I KREDITNA BANKA d.d.; a.k.a. YUGOSLAV EXPORT AND CREDIT BANK INC.), Mohren Strasse 17/III, Berlin, Germany [FRY S&M]
- JIK BANKA d.d. (a.k.a. JUGOSLOVENSKA IZVOZNA I KREDITNA BANKA d.d.; a.k.a. YUGOSLAV EXPORT AND CREDIT BANK INC.), Via Carducci 20-II, Piano Scala A, 1-34122 Trieste, Italy [FRY S&M]

JIMINEZ, Gillermo (SOLER), Panama (individual) [CUBA]
JNA (a.k.a. JUGOSLOVENSKA NARODNA ARMIJA, a.k.a. YUGOSLAV NATIONAL ARMY), Belgrade, Serbia [FRY S&M]
JNK LTD (a.k.a. J&K LTD.), Wildwoods, Theobalds Park Rd., Crews Hill, Enfield, Middlesex, England [FRY S&M]
JOINT EXPLORATION, EXPLOITATION AND PETROLEUM SERVICES COMPANY (a.k.a. JOINT OIL; a.k.a. JOINT OIL TUNISIA, a.k.a. LIBYAN-TUNISIAN EXPLORATION COMPANY, a.k.a. SOCIETE DE RECHERCHE ET D'EXPLOITATION COMMUNE ET DE SERVICE PETROLIERE), Planning & Logistic Group complex, Port of Zarzis, Tunisia [LIBYA]
JOINT EXPLORATION, EXPLOITATION AND PETROLEUM SERVICES COMPANY (a.k.a. JOINT OIL, a.k.a. JOINT OIL TUNISIA, a.k.a. LIBYAN-TUNISIAN EXPLORATION COMPANY, a.k.a. SOCIETE DE RECHERCHE ET D'EXPLOITATION COMMUNE ET DE SERVICE PETROLIERE), 7th of November offshore field, Gulf of Gabes [LIBYA]
JOINT EXPLORATION, EXPLOITATION AND PETROLEUM SERVICES COMPANY (a.k.a. JOINT OIL, a.k.a. JOINT OIL TUNISIA, a.k.a. LIBYAN-TUNISIAN EXPLORATION COMPANY, a.k.a. SOCIETE DE RECHERCHE ET D'EXPLOITATION COMMUNE ET DE SERVICE PETROLIERE), B.P. 350 Houmt Souk 4180, Djerba Island, Tunisia [LIBYA]
JOINT OIL (a.k.a. JOINT EXPLORATION, EXPLOITATION AND PETROLEUM SERVICES COMPANY, a.k.a. JOINT OIL TUNISIA, a.k.a. LIBYAN-TUNISIAN EXPLORATION COMPANY, a.k.a. SOCIETE DE RECHERCHE ET D'EXPLOITATION COMMUNE ET DE SERVICE PETROLIERE), 7th of November offshore field, Gulf of Gabes [LIBYA]
JOINT OIL (a.k.a. JOINT EXPLORATION, EXPLOITATION AND PETROLEUM SERVICES COMPANY, a.k.a. JOINT OIL TUNISIA, a.k.a. LIBYAN-TUNISIAN EXPLORATION COMPANY, a.k.a. SOCIETE DE RECHERCHE ET D'EXPLOITATION COMMUNE ET DE SERVICE PETROLIERE), B.P. 350 Houmt Souk 4180, Djerba Island, Tunisia [LIBYA]
JOINT OIL (a.k.a. JOINT EXPLORATION, EXPLOITATION AND PETROLEUM SERVICES COMPANY, a.k.a. JOINT OIL TUNISIA, a.k.a. LIBYAN-TUNISIAN EXPLORATION COMPANY, a.k.a. SOCIETE DE RECHERCHE ET D'EXPLOITATION COMMUNE ET DE SERVICE PETROLIERE), Planning & Logistic Group complex, Port of Zarzis, Tunisia [LIBYA]
JOINT OIL TUNISIA (a.k.a. JOINT EXPLORATION, EXPLOITATION AND PETROLEUM SERVICES COMPANY; a.k.a. JOINT OIL; a.k.a. LIBYAN-TUNISIAN EXPLORATION COMPANY; a.k.a. SOCIETE DE RECHERCHE ET D'EXPLOITATION COMMUNE ET DE SERVICE PETROLIERE), Planning & Logistic Group complex, Port of Zarzis, Tunisia [LIBYA]
JOINT OIL TUNISIA (a.k.a. JOINT EXPLORATION, EXPLOITATION AND PETROLEUM SERVICES COMPANY, a.k.a. JOINT OIL; a.k.a. LIBYAN-TUNISIAN EXPLORATION COMPANY; a.k.a. SOCIETE DE RECHERCHE ET D'EXPLOITATION COMMUNE ET DE SERVICE PETROLIERE), 7th of November offshore field, Gulf of Gabes [LIBYA]
JOINT OIL TUNISIA (a.k.a. JOINT EXPLORATION, EXPLOITATION AND PETROLEUM SERVICES COMPANY; a.k.a. JOINT OIL, a.k.a. LIBYAN-TUNISIAN EXPLORATION COMPANY, a.k.a. SOCIETE DE RECHERCHE ET D'EXPLOITATION COMMUNE ET DE SERVICE PETROLIERE), B.P. 350 Houmt Souk 4180, Djerba Island, Tunisia [LIBYA]
JOINT REPRESENTATIVE OFFICE OF YUGOSLAV BANKS, Mosfiljmovskaja 42, 7332 Moscow, Russia [FRY S&M]
JOINT REPRESENTATIVE OFFICE OF YUGOSLAV BANKS, No. 17 2nd Street Pakistan Avenue, Dr. Beheshti Avenue, Teheran, Iran [FRY S&M]
JOINT REPRESENTATIVE OFFICE OF YUGOSLAV BANKS, Piazza Santa Maria Beltrade 2, 20121 Milan, Italy [FRY S&M]
JOINT REPRESENTATIVE OFFICE OF YUGOSLAV BANKS, Ta Yuan Cun-dipl. Office bldg. 2-8-1, Beijing, China [FRY S&M]
JOINT TURKISH LIBYAN AGRICULTURAL LIVESTOCK COMPANY, Ankara, Turkey [LIBYA]
JOLDIC, Miodrag, Deputy in SRBH Assembly; Doboj, Bosnia-Herzegovina (individual) [SRBH]
JON, Hana Paul, 19 Tudor House, Windsor Way, Brook Green, London, England (individual) [IRAQ]
JOP (a.k.a. JUGOOCEANIJA, a.k.a. JUGOSLAVENSKA OCEANSKA PLOVIDBA BB; a.k.a. YUGOSLAV OCEAN LINES), Njegoseva, P.O. Box 18, 85330 Kotor, Montenegro [FRY S&M]
JOWFE (a.k.a. NATIONAL COMPANY DRILLING CHEMICAL & EQUIPMENT), NOC Building, Ashjara Square, Benghazi, Libya [LIBYA]
JUGOAGENT, Belgrade, Serbia [FRY S&M]
JUGOAGENT, HAMBURG REPRESENTATIVE OFFICE, Hamburg, Germany [FRY S&M]
JUGOALAT, Novi Sad, Vojvodina (Serbia) [FRY S&M]
JUGOAUTO, Belgrade, Serbia [FRY S&M]
JUGOAZBEST, Mlanovac, Serbia [FRY S&M]
JUGOBANKA (a.k.a. BANK FOR FOREIGN TRADE AD, a.k.a. JUGOBANKA d.d., a.k.a. YUGOBANKA), all offices worldwide [FRY S&M] including, but not limited to:
- JUGOBANKA (a.k.a. BANK FOR FOREIGN TRADE AD, a.k.a. JUGOBANKA d.d., a.k.a. YUGOBANKA), Argentinenstrasse 22/II/4-11, 1040 Vienna, Austria [FRY S&M]
- JUGOBANKA (a.k.a. BANK FOR FOREIGN TRADE AD, a.k.a. JUGOBANKA d.d., a.k.a. YUGOBANKA), Salisbury House, First Floor (Rooms 378-379), London, EC2M5RT, England [FRY S&M]
- JUGOBANKA (a.k.a. BANK FOR FOREIGN TRADE AD, a.k.a. JUGOBANKA d.d., a.k.a. YUGOBANKA), 25, Rue Lauriston, 75116 Paris, France [FRY S&M]
- JUGOBANKA (a.k.a. BANK FOR FOREIGN TRADE AD, a.k.a. JUGOBANKA d.d., a.k.a. YUGOBANKA), Kurfurstenstrasse 106/II, 1000 Berlin 30, Germany [FRY S&M]
- JUGOBANKA (a.k.a. BANK FOR FOREIGN TRADE AD, a.k.a. JUGOBANKA d.d., a.k.a. YUGOBANKA), Klosterstrasse 34/I, 4000 Dusseldorf Germany [FRY S&M]
- JUGOBANKA (a.k.a. BANK FOR FOREIGN TRADE AD, a.k.a. JUGOBANKA d.d., a.k.a. YUGOBANKA), Goether Strasse 2/II, 6000 Frankfurt am Main I, Germany [FRY S&M]
- JUGOBANKA (a.k.a. BANK FOR FOREIGN TRADE AD; a.k.a. JUGOBANKA d.d.; a.k.a. YUGOBANKA), Schiedusenbruecke 1-4, 2000 Hamburg 36, Germany [FRY S&M]
- JUGOBANKA (a.k.a. BANK FOR FOREIGN TRADE AD; a.k.a. JUGOBANKA d.d.; a.k.a. YUGOBANKA), Georgestrasse 36/3, 3000 Hannover, Germany [FRY S&M]
- JUGOBANKA (a.k.a. BANK FOR FOREIGN TRADE AD; a.k.a. JUGOBANKA d.d.; a.k.a. YUGOBANKA), c/o BFG M-7 m No 16-17, 6800 Mannheim, Germany [FRY S&M]
- JUGOBANKA (a.k.a. BANK FOR FOREIGN TRADE AD; a.k.a. JUGOBANKA d.d.; a.k.a. YUGOBANKA), Sonnenstrasse 12/III, 8000 Munich, Germany [FRY S&M]
- JUGOBANKA (a.k.a. BANK FOR FOREIGN TRADE AD; a.k.a. JUGOBANKA d.d.; a.k.a. YUGOBANKA), Am Plaerer 2, 8500 Nuremberg, Germany [FRY S&M]
- JUGOBANKA (a.k.a. BANK FOR FOREIGN TRADE AD; a.k.a. JUGOBANKA d.d.; a.k.a. YUGOBANKA), Koenigstrasse 54/8, 7000 Stuttgart 1, Germany [FRY S&M]
- JUGOBANKA (a.k.a. BANK FOR FOREIGN TRADE AD; a.k.a. JUGOBANKA d.d.; a.k.a. YUGOBANKA), c/o Yugoslav Chamber of Economy, Saadoun Str., Shalen Bldg., Baghdad, Iraq [FRY S&M]
- JUGOBANKA (a.k.a. BANK FOR FOREIGN TRADE AD; a.k.a. JUGOBANKA d.d.; a.k.a. YUGOBANKA), P.O. Box 2869, Tripoli, Libya [FRY S&M]
- JUGOBANKA (a.k.a. BANK FOR FOREIGN TRADE AD; a.k.a. JUGOBANKA d.d.; a.k.a. YUGOBANKA), Singel 512, Amsterdam 1017 AX, Netherlands [FRY S&M]
- JUGOBANKA (a.k.a. BANK FOR FOREIGN TRADE AD; a.k.a. JUGOBANKA d.d.; a.k.a. YUGOBANKA), Kungsgatan 55/3, 11122 Stockholm, Sweden [FRY S&M]
- JUGOBANKA (a.k.a. BANK FOR FOREIGN TRADE AD, a.k.a. JUGOBANKA d.d.; a.k.a. YUGOBANKA), Zweierstrasse 169/1, 8003 Zurich, Switzerland [FRY S&M]

JUGOBANKA (a.k.a. BANK FOR FOREIGN TRADE AD-SKOPJE; a.k.a. JUGOBANKA d.d.; a.k.a. YUGOBANKA), Skopje, Former Yugoslav Republic of Macedonia [FRY S&M]
JUGOBROD, Belgrade, Serbia [FRY S&M]
JUGODRVO, Belgrade, Serbia [FRY S&M]
JUGODUVAN, Nis, Serbia [FRY S&M]
JUGOELEKTRO, Belgrade, Serbia [FRY S&M]
JUGOELEKTRO, BERLIN BRANCH OFFICE, Berlin, Germany [FRY S&M]
JUGOEXPORT, Belgrade, Serbia [FRY S&M]
JUGOEXPORT GMBH, Bronnerstrasse 17, 6000 Frankfurt am Main 1, Germany [FRY S&M]
JUGOHEMIJA, Belgrade, Serbia [FRY S&M]
JUGOINSPEKT (CYPRUS) LTD (a.k.a. J.I.B. INSPECTION LTD.; a.k.a. JUGOINSPEKT LTD.), 57 Ledra St, No. 7, Nicosia, Cyprus [FRY S&M]
JUGOINSPEKT LTD (a.k.a. J.I.B. INSPECTION LTD.; a.k.a. JUGOINSPEKT (CYPRUS) LTD.), 57 Ledra St, No. 7, Nicosia, Cyprus [FRY S&M]
JUGOINSPEKT, Serbia [FRY S&M]
JUGOLABORATORIJA, Belgrade, Serbia [FRY S&M]
JUGOLEK, Belgrade, Serbia [FRY S&M]
JUGOMETAL (f.k.a. BULK STAR) (J8FN8) Ore/Bulk/Oil Carrier 79,279GT Saint Vincent Flag (Litalia Shipping S.A.) (vessel) [FRY S&M]
JUGOMETAL, 92 Archbishop Makarios III Avenue, Nicosia, Cyprus [FRY S&M]
JUGOMETAL, Belgrade, Serbia [FRY S&M]
JUGOMONTANA (a.k.a. YUGOMONTANA), Belgrade, Serbia [FRY S&M]
JUGOOCEANIJA (a.k.a. JOP, a.k.a. JUGOSLAVENSKA OCEANSKA PLOVIDBA BB, a.k.a. YUGOSLAV OCEAN LINES), Njegoseva, P.O. Box 18, 85330 Kotor, Montenegro [FRY S&M]
JUGOOCEANIJA, Kotor, Montenegro [FRY S&M]
JUGOPAPIR, Belgrade, Serbia [FRY S&M]
JUGOPETROL, Belgrade, Serbia [FRY S&M]
JUGOPREVOZ, Belgrade, Serbia [FRY S&M]

JUGOSKANDIA A.B., Noerrebrogade 26, 2200 Copenhagen N, Denmark [FRY S&M]
JUGOSKANDIA AB, Raadhusgt 17, 0158 Oslo 1, Norway [FRY S&M]
JUGOSKANDIA AB, Sveavagen 59, 113 59 Stockholm, Sweden [FRY S&M]
JUGOSKANDIA AB, Topeliuksenkatu 3b, A5, 00260 Helsinki 26, Finland [FRY S&M]
JUGOSKANDIK d.d., all offices worldwide [FRY S&M]
JUGOSLAVENSKA OCEANSKA PLOVIDBA BB (a.k.a. JOP; a.k.a. JUGOOCEANIJA; a.k.a. YUGOSLAV OCEAN LINES), Njegoseva, P.O. Box 18, 85330 Kotor, Montenegro [FRY S&M]
JUGOSLOVENSKA BANKA ZA MEDJUNARODNU EKONOMSKU SARADNJU (a.k.a. YUBMES, a.k.a. YUGOSLAV BANK FOR INTERNATIONAL ECONOMIC COOPERATION), all offices worldwide [FRY S&M]
JUGOSLOVENSKA IZVOZNA I KREDITNA BANKA d.d. (a.k.a. YUGOSLAV EXPORT AND CREDIT BANK INC.; a.k.a. JIK BANKA d.d.), P.O. Box 234, Knez Mihailova 42, 11000 Belgrade, Serbia [FRY S&M], all offices worldwide, including, but not limited to:
- JUGOSLOVENSKA IZVOZNA I KREDITNA BANKA d.d. (a.k.a. YUGOSLAV EXPORT AND CREDIT BANK INC.; a.k.a. JIK BANKA d.d.), Mohren Strasse 17/III, Berlin, Germany [FRY S&M]
- JUGOSLOVENSKA IZVOZNA I KREDITNA BANKA d.d. (a.k.a. YUGOSLAV EXPORT AND CREDIT BANK INC.; a.k.a. JIK BANKA d.d.), Via Carducci 20-II, Piano Scala A, 34122 Trieste, Italy [FRY S&M]

JUGOSLOVENSKA NARODNA ARMIJA (a.k.a. JNA; a.k.a. YUGOSLAV NATIONAL ARMY), Belgrade, Serbia [FRY S&M]
JUGOSLOVENSKA POMORSKA AGENCIJA (a.k.a. YUGOSLAV SHIPPING AGENCY), Belgrade, Serbia [FRY S&M]
JUGOSLOVENSKI AEROTRANSPORT (a.k.a. JAT, a.k.a. JAVNO PREDUZECE ZA VAZDUSNI SAOBRACAJ; a.k.a. YUGOSLAV AIRLINES), Belgrade, Serbia, all offices worldwide [FRY S&M]
JUGOTEHNA, Belgrade, Serbia [FRY S&M]
JUGOVO (n.k.a. BLUE STAR) (J8FN4) Ore/Oil Carrier 53,029GT Saint Vincent Flag (Road Town Shipping S.A.) (vessel) [FRY S&M]
JUHOMONYSNS (CYPRUS) LTD., 2 Sofoules Street, Chanteclair Bldg., 2nd Floor, No. 205, Nicosia, Cyprus [FRY S&M]
JUME'AN, George, P.O. Box 1318, Amman, Jordan (individual) [IRAQ]
KACH, Israel [SDT]
KADHUM, Dr. Fadel Jawad, c/o Alvaney Court, 250 Finchley Road, London, England (individual) [IRAQ]
KAELBLE & GMEINDER COMPANY (a.k.a. KAELBLE-GMEINDER GMBH), Maubacher Strasse 100, Postfach 13 20, W-7150 Backnang, Germany [LIBYA]
KAELBLE-GMEINDER GMBH (a.k.a. KAELBLE & GMEINDER COMPANY), Maubacher Strasse 100, Postfach 13 20, W-7150 Backnang, Germany [LIBYA]
KAHANE CHAI, Israel [SDT]
KALINIC, Dr. Dragan, Minister of Health of SRBH, Bosnia-Herzegovina (individual) [SRBH]
KAMENARI (Unknown) RO/RO Cargo/Ferry 161GT Yugoslavia Flag (Komunalno Poduzece) (vessel) [FRY S&M]
KAPETAN MARTINOVIC (9HTY3) General Dry Cargo 8,569GT Malta Flag (South Adriatic Bulk Shipping Ltd.) (vessel) [FRY S&M]
KARADZIC, Dr. Radovan, President of SRBH, DOB 19 Jun 45, POB Petnica, Montenegro, Bosnia-Herzegovina (individual) [SRBH]
KARAGHULLY, Labeed A., General Manager of REAL ESTATE BANK, Iraq (individual) [IRAQ]*
KARIC, Bogoljub, DOB 17 Jan 54, POB Pec, Kosovo, Serbia, Palmira Toljatija 3, 11070 Novi Beograd, Serbia (individual) [FRY S&M]
KARIC, Dragomir, DOB 21 Oct 49, Palmira Toljatija 3, 11070 Novi Beograd, Serbia (individual) [FRY S&M]
KARIC, Milanka, DOB 16 Sep 57, Wildwoods, Theobalds Park Rd., Crews Hill, Enfield, Middlesex, England (individual) [FRY S&M]
KARIC, Olivera (n.k.a. NEDELJKOVIC, Olivera); DOB 1960 (moves from country to country) [FRY S&M]
KARIC, Slavica; DOB 28 Oct 58; POB Pec, Kosovo, Serbia; 7 Gevgelis Street, Nicosia, Cyprus (individual) [FRY S&M]
KARIC, Sreten; DOB 20 Jul 48; POB Pec, Kosovo, Serbia; 7 Gevgelis Street, Nicosia, Cyprus (individual) [FRY S&M]
KARIC, Zoran; DOB 27 Dec 50; Palmira Toljatija 3, 11070 Novi Beograd, Serbia (individual) [FRY S&M]
KARIC BANKA, Palmira Toljatija 3, 11070 Novi Beograd, Serbia [FRY S&M]
KARIC BANKA CYPRUS OFFSHORE BANKING UNIT, 66 Makarios III Avenue, Cronos Court, 2nd Floor, Nicosia, Cyprus [FRY S&M]
KARIC BROTHERS HOLDING (a.k.a. B K COMPANY; a.k.a. B K HOLDING; a.k.a. BRACA KARIC COMPANY; a.k.a. BRACA KARIC TRADE COMPANY; a.k.a. BRACE KARIC COMPANY), Palmira Toljatija 3, 11070 Novi Beograd, Serbia, and all affiliated companies worldwide [FRY S&M]
KASPAR (Kaspar Shipping, S.A., Panama) (vessel) [CUBA]
KARIC MASSIV (a.k.a. SP MASSIV KARIC; a.k.a. MASSIV K; a.k.a. MASSIV-KARITSCH; a.k.a. MASSIV-KARICHI), 627720 RSFSR, Tyumenenskaya Oblast, Sovyetstrayon, Yagorka ul. Mira, 43, Russia [FRY S&M]
KASPAR SHIPPING, S.A., Panama [CUBA]
KAT, Podgorica, Montenegro [FRY S&M]
KAVE, S.A., Panama [CUBA]
KEENCLOUD LIMITED, 11 Catherine Place, Westminster, London, England [IRAQ]
KEFAL (HNKL) Fish 1,170DWT Iraqi flag (Rafidain Fisheries Co. Ltd) (vessel) [IRAQ]
KELECEVIC, Bosko, Major General and Chief of Staff, First Krajina Corps, SRBH Forces, Bosnia-Herzegovina (individual) [SRBH]
KERBALA (N/A) Service DWT N/A Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
KHALID, Abu (a.k.a. HAWATMEH, Nayif; a.k.a. HAWATMA, Nayif; a.k.a. HAWATMAH, Nayif); Secretary General of DEMOCRATIC FRONT FOR THE LIBERATION OF PALESTINE - HAWATMEH FACTION, DOB 1933 (individual) [SDT]
KHALID IBIN AL WALEED (YIBM) Service 2,235DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
KHALIL, Dr. Ahmad Murtada Ahmad (a.k.a. KHALIL, Ahmad Murtadha Ahmad), Minister of Transport and Communications, Iraq (individual) [IRAQ]*
KHALIL, Ahmad Murtadha Ahmad (a.k.a. KHALIL, Dr. Ahmad Murtada Ahmad), Minister of Transport and Communications, Iraq (individual) [IRAQ]*
KHANAQIN (HNKQ) Tanker 35,338DWT Iraqi flag (Iraqi Oil Tankers Company) (vessel) [IRAQ]
KHAWLA BINT AL ZAWRA (HNKH) RO/RO 3,985DWT Iraqi flag (Iraqi State Enterprise for Water Transport) (vessel) [IRAQ]
KHOMS CEMENT PLANT, Khoms, Libya [LIBYA]
KING LION (f.k.a. BOKA, f.k.a. HANUMAN) (9HUQ3) General Dry Cargo 13,688GT Malta Flag (Worldwide Ocean Chartering Group [South Adriatic Bulk Shipping Ltd.]) (vessel) [FRY S&M]
KIRKUK (HNKK) Tanker 35,338DWT Iraqi flag (Iraqi Oil Tankers Company) (vessel) [IRAQ]
KLUZ, Belgrade, Serbia [FRY S&M]
KOIMPEX, Novi Sad, Vojvodina (Serbia) [FRY S&M]
KOL INVESTMENTS, INC., Miami, Florida, U.S.A. [CUBA]
KOLASIN (n.k.a. GUANA) (Unknown) Bulk Carrier 9,916GT Malta Flag (Lovcen Overseas Shipping Ltd.) (vessel) [FRY S&M]
KOLJEVIC, Dr. Nikola, a Vice-President of SRBH, DOB 9 Jun 36, POB Banja Luka, Bosnia-Herzegovina, Bosnia-Herzegovina (individual) [SRBH]
KOLUBARA 1 (Unknown) Dredger 958GT Yugoslavia Flag (Bagersko Brodarsko Preduzece) (vessel) [FRY S&M]
KOMBINAT ALUMINIJUMA PODGORICA (a.k.a. ALUMINUM COOPERATIVE PODGORICA), P.O.B. 22, 81000 Podgorica, Montenegro [FRY S&M]
KOMGRAP (a.k.a. KOMGRAP-GRO), Terazije 4, P.O. Box 468, 11001 Belgrade, Serbia [FRY S&M]
KOMGRAP-GRO (a.k.a. KOMGRAP), Terazije 4, P.O. Box 468, 11001 Belgrade, Serbia [FRY S&M]
KOMOVI (n.k.a. MONTE) (9HTD3) General Dry Cargo 9,183GT Malta Flag (Bar Overseas Shipping Ltd.) (vessel) [FRY S&M]
KOMUNALNO PODUZECE, 5, Hercegovacke Brigade, 81340 Herceg-Novi, Montenegro [FRY S&M]
KONSTRUKTOR, Pancevo, Vojvodina (Serbia) [FRY S&M]
KOOPERATIVA, Novi Sad, Vojvodina (Serbia) [FRY S&M]
KOPAONIK, Belgrade, Serbia [FRY S&M]
KOPRODUCT LTD., 2 Albion Place, King's Terrace, Galena Road, London W6 0QT, England [FRY S&M]
KOPRODUKT (a.k.a. KOPRODUKT ZA UNUTRASNJU I SPOLJNU TRGOVINU I ZASTUPANJE STRANIH PREDUZECA), Bulevar Marsala Tita 6, 21000 Novi Sad, Vojvodina, Serbia [FRY S&M]
KOPRODUKT ZA UNUTRASNJU I SPOLJNU TRGOVINU I ZASTUPANJE STRANIH PREDUZECA (a.k.a. KOPRODUKT), Bulevar Marsala Tita 6, 21000 Novi Sad, Vojvodina, Serbia [FRY S&M]
KORDUN (9HSQ3) General Dry Cargo 38,551GT Malta Flag (Kotor Overseas Shipping Ltd.) (vessel) [FRY S&M]
KOREA FOREIGN INSURANCE COMPANY (a.k.a. CHOSUNBOHOM), 1080 Berlin Glinkastrasse 5, Germany [NKOREA]
KOREA FOREIGN INSURANCE COMPANY (a.k.a. CHOSUNBOHOM), 123, Rue des Tennerolles, 92210 Saint-Cloud, Paris, France [NKOREA]
KOREA FOREIGN INSURANCE COMPANY (a.k.a. CHOSUNBOHOM), Unt. Batteneweg 35, CH-4008 Basel, Switzerland [NKOREA]
KOSMAJ (9HSP3) Bulk Carrier 38,550GT Malta Flag (Kotor Overseas Shipping Ltd.) (vessel) [FRY S&M]
KOSOVO ELECTRIC POWER COMPANY (a.k.a. ELEKTROPRIVREDA KOSOVA), Pristina, Kosovo (Serbia) [FRY S&M]
KOSOVO EXPORT IMPORT GMBH (a.k.a. EXIMKOS; a.k.a. KOSOVO GMBH; a.k.a. OMEGA GMBH), Maillingerstrasse 34, 8000 Munich 2, Germany [FRY S&M]
KOSOVO GMBH (a.k.a. EXIMKOS; a.k.a. KOSOVO EXPORT IMPORT GMBH; a.k.a. OMEGA GMBH), Maillingerstrasse 34, 8000 Munich 2, Germany [FRY S&M]
KOSOVSKA BANKA, all offices (Bank is headquartered in Pristina, Kosovo, [Serbia]) [FRY S&M]
KOSTIC, Bosko, AY Bank Ltd., 11/15 St. Mary-at-Hill, EC3R8EE London, England (individual) [FRY S&M]
KOTOR OVERSEAS SHIPPING LTD., Valletta, Malta, c/o Jugoslavenska Oceanska Plovidba BB, Njegoseva, P.O. Box 18, 85330 Kotor, Montenegro [FRY S&M]
KOVACEVIC, Sveto; Minister of Trade and Supply of SRBH; Bosnia-Herzegovina (individual) [SRBH]
KOZIC, Dusan; Prime Minister of SRBH; Bosnia-Herzegovina (individual) [SRBH]
KRAJISNIK, Momcilo; President of SRBH Assembly; DOB 20 Jan 45; POB Radovac, Sarajevo, Bosnia-Herzegovina; Banja Luka, Bosnia-Herzegovina (individual) [SRBH]
KRECA, Milenko; Diplomat of SRBH; Bosnia-Herzegovina (individual) [SRBH]
KREDITNA BANKA BEOGRAD, all offices worldwide [FRY S&M]
KREDITNA BANKA BEOGRAD CYPRUS OFFSHORE BANKING UNIT, Nicosia, Cyprus [FRY S&M]
KREDITNA BANKA PRISTINA, all offices worldwide [FRY S&M]
KREDITNA BANKA SUBOTICA, all offices worldwide [FRY S&M]
KRUNIC, Goran; Diplomat of SRBH; Bosnia-Herzegovina (individual) [SRBH]
KRUSEVAC PROMET, Krusevac, Serbia [FRY S&M]
KRUSIK, Valjevo, Serbia [FRY S&M]
KUFRA AGRICULTURAL CO., P.O. Box 4239, Benghazi, Libya; Tripoli Office, P.O. Box 2306, Damascus Street, Tripoli, Libya [LIBYA]

KUFRA PRODUCTION PROJECT, P.O. Box 6324, Benghazi, Libya; (branch) P.O. Box 2306, Tripoli, Libya [LIBYA]
KUGLEX, Belgrade, Serbia [FRY S&M]
KUPRES (n.k.a. RAMA) (9HUP3) General Dry Cargo 13,688 GT Cyprus (Malta) Flag (White Star Shipping Co. Ltd.) ((South Adriatic Bulk Shipping Ltd.)) (vessel) [FRY S&M]
KUWAYBAH, Muftah Muhammad, Secretary of Marine Resources of the Government of Libya, Libya (individual) [LIBYA]*
KYOEI INTERNATIONAL COMPANY, LIMITED, Tokyo, Japan [CUBA]
LA EMPRESA CUBANA DE FLETES (a.k.a. CUFLET; a.k.a. THE CUBAN FREIGHT ENTERPRISE), Pyongyang, Korea (Peoples Democratic Republic) [CUBA]
LA EMPRESA CUBANA DE FLETES (a.k.a. CUFLET; a.k.a. THE CUBAN FREIGHT ENTERPRISE), Moscow, Russia [CUBA]
LA EMPRESA CUBANA DE FLETES (a.k.a. CUFLET; a.k.a. THE CUBAN FREIGHT ENTERPRISE), Barcelona, Spain [CUBA]
LA EMPRESA CUBANA DE FLETES (a.k.a. CUFLET; a.k.a. THE CUBAN FREIGHT ENTERPRISE), Rostock, Germany [CUBA]
LA EMPRESA CUBANA DE FLETES (a.k.a. CUFLET; a.k.a. THE CUBAN FREIGHT ENTERPRISE), Genoa, Italy [CUBA]
LA EMPRESA CUBANA DE FLETES (a.k.a. CUFLET; a.k.a. THE CUBAN FREIGHT ENTERPRISE), Syczecin, Poland [CUBA]
LA EMPRESA CUBANA DE FLETES (a.k.a. CUFLET; a.k.a. THE CUBAN FREIGHT ENTERPRISE), Rotterdam, Netherlands [CUBA]
LA EMPRESA CUBANA DE FLETES (a.k.a. CUFLET; a.k.a. THE CUBAN FREIGHT ENTERPRISE), Mexico [CUBA]
LA EMPRESA CUBANA DE FLETES (a.k.a. CUFLET, a.k.a. THE CUBAN FREIGHT ENTERPRISE), Buenos Aires, Argentina [CUBA]
LA EMPRESA CUBANA DE FLETES (a.k.a. CUFLET, a.k.a. THE CUBAN FREIGHT ENTERPRISE), Montreal, Canada [CUBA]
LA EMPRESA CUBANA DE FLETES (a.k.a. CUFLET; a.k.a. THE CUBAN FREIGHT ENTERPRISE), Varna, Bulgaria [CUBA]
LAFB (a.k.a. LIBYAN ARAB FOREIGN BANK), Dat El Imad Complex Tower No. 2, P.O. Box 2542, Tripoli, Libya [LIBYA]
LAFI TRADE MALTA, 14517 Tower Road, Sliema, Malta [LIBYA]
LAFICO (a.k.a. LIBYAN ARAB FOREIGN INVESTMENT COMPANY), Athens, Greece [LIBYA]
LAFICO (a.k.a. LIBYAN ARAB FOREIGN INVESTMENT COMPANY), Rome, Italy [LIBYA]
LAFICO (a.k.a. LIBYAN ARAB FOREIGN INVESTMENT COMPANY), Malta [LIBYA]
LAFITRADE HOLDINGS BV, De Lairessestraat 133, 1075 HJ Amsterdam, Netherlands; P.O. Box 75265, 1070 AG Amsterdam, Netherlands [LIBYA]
LAHMAR, Mohammed, Dat El Imad Administrative Complex Tower No. 2, P.O. Box 2542, Tripoli, Libya (individual) [LIBYA]
LAJIC, Nedeljko, Minister of Transportation and Communication of SRBH, Bosnia-Herzegovina (individual) [SRBH]
LAKE STAR (n.k.a. SERIFOS, f.k.a. SKADARLIJA) (JIFN3) Bulk Carrier 15,847GT Panama (Saint Vincent) Flag (Brilliant Night Shipping S.A.) ((Novi Shipping Company S.A.)) (vessel) [FRY S&M]
LAKIC, Nedeljko, Secretary of SRBH, Bosnia-Herzegovina (individual) [SRBH]
LAKSHMI, Panama [CUBA]
LAMEDON TRADING LTD., Evagoras Papachristoforou Street, Themis Court Bldg., 1st Floor, P.O. Box 561, Limassol, Cyprus [FRY S&M]
LAMHCO (a.k.a. LIBYAN ARAB MALTESE HOLDING CO. LTD.), St. Mark House, Cappuchan Street, Floriana, Malta [LIBYA]
LAS COLORADOS (Naviera Maritima de Arosa Spain) (vessel) [CUBA]
LAURA (Aimoros Shipping Co., Malta) (vessel) [CUBA]
LAYAS, Mohammed Hussein, Tripoli, Libya (individual) [LIBYA]
LEBREDO, Jose A., Director, Banco Nacional de Cuba, Zweierstrasse 35, CH-8022 Zurich, Switzerland (individual) [CUBA]
LEPETANE (Unknown) RO/RO Cargo/Ferry 132GT Yugoslavia Flag (Komunalno Poduzece) (vessel) [FRY S&M]
LETEKS - LESKOVAC (a.k.a. WOOL AND TEXTILE INDUSTRY OF LESKOVAC), Leskovac, Serbia [FRY S&M]
LEVERAGE, S.A., San Martin 323, Piso 14, Buenos Aires, Argentina [CUBA]
LEVERYE, S.A., Corrientes 1386, 5th Floor, Buenos Aires, Argentina [CUBA]
LEYBDA CORPORATION, S.A., Panama [CUBA]
LIBERIAN LIBYAN HOLDING COMPANY, Monrovia, Liberia [LIBYA]
LIBYA INSURANCE COMPANY, P.O. Box 2438, Usama Bldg., 1st September Street, Tripoli, Libya, (7 main branches and 58 sub-branches in Libya) [LIBYA]
LIBYA INSURANCE COMPANY, Cyprus Office, Nicosia, Cyprus [LIBYA]
LIBYA INSURANCE CO. (CYPRUS OFFICE) LTD., Cyprus [LIBYA]
LIBYAN ARAB CO. FOR DOMESTIC ELECTRICAL MATERIALS, P.O. Box 12718, Tripoli, Libya; (branch) P.O. Box 453, Benghazi, Libya [LIBYA]
LIBYAN AGRICULTURAL BANK (a.k.a. THE AGRICULTURAL BANK; a.k.a. NATIONAL AGRICULTURAL BANK OF LIBYA), 52, Omar El Mokhtar Street, P.O. Box 1100, Tripoli, Libya [LIBYA]
LIBYAN AGRICULTURAL BANK (a.k.a. THE AGRICULTURAL BANK; a.k.a. NATIONAL AGRICULTURAL BANK OF LIBYA), (1 city branch and 27 branches in Libya) [LIBYA]
LIBYAN ARAB AIRLINES (Numerous branch offices and facilities abroad) [LIBYA]
LIBYAN ARAB FOREIGN BANK (a.k.a. LAFB), Dat El Imad Complex Tower No. 2, P.O. Box 2542, Tripoli, Libya [LIBYA]
LIBYAN ARAB FOREIGN INVESTMENT COMPANY (a.k.a. LAFICO), Rome, Italy [LIBYA]
LIBYAN ARAB FOREIGN INVESTMENT COMPANY (a.k.a. LAFICO), Malta [LIBYA]
LIBYAN ARAB FOREIGN INVESTMENT COMPANY (a.k.a. LAFICO), Athens, Greece [LIBYA]
LIBYAN ARAB MALTESE HOLDING CO. LTD. (a.k.a. LAMHCO), St. Mark House, Cappuchan Street, Floriana, Malta [LIBYA]
LIBYAN ARAB UGANDA BANK FOR FOREIGN TRADE AND DEVELOPMENT (n.k.a. TROPICAL AFRICAN BANK LIMITED), P.O. Box 9485, Kampala, Uganda [LIBYA]
LIBYAN ARAB UGANDA HOLDING CO. LTD. (a.k.a. UGANDA LIBYAN HOLDING CO. LTD.), Kampala, Uganda [LIBYA]
LIBYAN BRICK MANUFACTURING CO., P.O. Box 10700, Tripoli, Libya, (branch) P.O. Box 25, Km 17, Suani Road, Suani, Libya [LIBYA]
LIBYAN CEMENT CO., P.O. Box 2108, Benghazi, Libya [LIBYA]
LIBYAN CINEMA CORPORATION, P.O. Box 878, Tripoli, Libya, (branch) P.O. Box 2076, Benghazi, Libya [LIBYA]
LIBYAN ETERNIT COMPANY, P.O. Box 6103, Zanzour Km. 17, Tripoli, Libya [LIBYA]
LIBYAN FISHING COMPANY, P.O. Box 3749, Tripoli, Libya [LIBYA]
LIBYAN-GREEK INVESTMENT COMPANY, Athens, Greece [LIBYA]
LIBYAN HOTELS AND TOURISM CO., P.O. Box 2977, Tripoli, Libya [LIBYA]
LIBYAN INSURANCE COMPANY, Ousama Bldg., 1st September Street, P.O. Box 2438, Tripoli, Libya, (branch) Benghazi, Libya, (branch) Derna, Libya, (branch) Sebha, Libya, (branch) Gharian, Libya, (branch) Misurata, Libya, (branch) Zawiya, Libya, (branch) Homs, Libya [LIBYA]
LIBYAN MILLS COMPANY, Sharia 1st September, P.O. Box 310, Tripoli, Libya [LIBYA]
LIBYAN NATIONAL OIL CORPORATION (a.k.a. LNOC; a.k.a. NATIONAL OIL CORPORATION; a.k.a. NOC), Petroleum Research Centre, Al Nasser Street, P.O. Box 6431, Tripoli, Libya [LIBYA]
LIBYAN NATIONAL OIL CORPORATION (a.k.a. LNOC; a.k.a. NATIONAL OIL CORPORATION; a.k.a. NOC) (Subsidiaries and joint ventures in Libya and worldwide) [LIBYA]
LIBYAN NATIONAL OIL CORPORATION (a.k.a. LNOC; a.k.a. NATIONAL OIL CORPORATION; a.k.a. NOC), P.O. Box 2978, Benghazi, Libya [LIBYA]
LIBYAN NATIONAL OIL CORPORATION (a.k.a. LNOC; a.k.a. NATIONAL OIL CORPORATION; a.k.a. NOC), Dahra Gas Projects Office, Dahra Street, P.O. Box 12221, Dahra, Tripoli, Libya [LIBYA]
LIBYAN NATIONAL OIL CORPORATION (a.k.a. LNOC; a.k.a. NATIONAL OIL CORPORATION; a.k.a. NOC), Bashir Saadawi Street, P.O. Box 2655, Tripoli, Libya [LIBYA]
LIBYAN NATIONAL OIL CORPORATION (a.k.a. LNOC; a.k.a. NATIONAL OIL CORPORATION; a.k.a. NOC), Petroleum Training and Qualifying Institute, Zawia Road, Km. 9, P.O. Box 6184, Tripoli, Libya [LIBYA]
LIBYAN OIL INVESTMENTS INTERNATIONAL COMPANY (a.k.a. FOREIGN PETROLEUM INVESTMENT CORPORATION; a.k.a. OIIC; a.k.a. OILINVEST; a.k.a. OILINVEST INTERNATIONAL N.V.), Tripoli, Libya [LIBYA]
LIBYAN OIL INVESTMENTS INTERNATIONAL COMPANY (a.k.a. FOREIGN PETROLEUM INVESTMENT CORPORATION; a.k.a. OIIC; a.k.a. OILINVEST; a.k.a. OILINVEST INTERNATIONAL N.V.), Netherlands Antilles [LIBYA]
LIBYAN TRACTOR ESTABLISHMENT, P.O. Box 12507, Dahra, Libya [LIBYA]
LIBYAN-TUNISIAN EXPLORATION COMPANY (a.k.a. JOINT EXPLORATION, EXPLOITATION AND PETROLEUM SERVICES COMPANY; a.k.a. JOINT OIL; a.k.a. JOINT OIL TUNISIA; a.k.a. SOCIETE DE RECHERCHE ET D'EXPLOITATION COMMUNE ET DE SERVICE PETROLIERE), 7th of November offshore field, Gulf of Gabes [LIBYA]
LIBYAN-TUNISIAN EXPLORATION COMPANY (a.k.a. JOINT EXPLORATION, EXPLOITATION AND PETROLEUM SERVICES COMPANY; a.k.a. JOINT OIL; a.k.a. JOINT OIL TUNISIA; a.k.a. SOCIETE DE RECHERCHE ET D'EXPLOITATION COMMUNE ET DE SERVICE PETROLIERE), Planning & Logistic Group complex, Port of Zarzis, Tunisia [LIBYA]
LIBYAN-TUNISIAN EXPLORATION COMPANY (a.k.a. JOINT EXPLORATION, EXPLOITATION AND PETROLEUM SERVICES COMPANY; a.k.a. JOINT OIL; a.k.a. JOINT OIL TUNISIA; a.k.a. SOCIETE DE RECHERCHE ET D'EXPLOITATION COMMUNE ET DE SERVICE PETROLIERE), B.P. 350 Houmt Souk 4180, Djerba Island, Tunisia [LIBYA]
LICOREXPORT S.A., Quito, Ecuador [CUBA]
LILAC ISLANDS (Valletta Shipping Corp., Panama) (vessel) [CUBA]
LIRIJA, Prizren, Kosovo (Serbia) [FRY S&M]
LITALIA SHIPPING S.A., Panama City, Panama, c/o Beogradska Plovidba, Lenjinov Bulevar 165A, 11070 Novi Beograd, Serbia [FRY S&M]
LITRACO IMPEX LTD., P.O. Box 5686, Benghazi, Libya, (branch of) National Soft Drinks EST., P.O. Box 559, Benghazi, Libya [LIBYA]
LIVNICA, Kikinda, Vojvodina (Serbia) [FRY S&M]
LNOC (a.k.a. LIBYAN NATIONAL OIL CORPORATION, a.k.a. NATIONAL OIL CORPORATION; a.k.a. NOC), (Subsidiaries and joint ventures in Libya and worldwide) [LIBYA]
LNOC (a.k.a. LIBYAN NATIONAL OIL CORPORATION, a.k.a. NATIONAL OIL CORPORATION, a.k.a. NOC), P.O. Box 2978, Benghazi, Libya [LIBYA]
LNOC (a.k.a. LIBYAN NATIONAL OIL CORPORATION, a.k.a. NATIONAL OIL CORPORATION; a.k.a. NOC), Dahra Gas Projects Office, Dahra Street, P.O. Box 12221, Dahra, Tripoli, Libya [LIBYA]
LNOC (a.k.a. LIBYAN NATIONAL OIL CORPORATION, a.k.a. NATIONAL OIL CORPORATION; a.k.a. NOC), Petroleum Research Centre, Al Nasser Street, P.O. Box 6431, Tripoli, Libya [LIBYA]
LNOC (a.k.a. LIBYAN NATIONAL OIL CORPORATION, a.k.a. NATIONAL OIL CORPORATION, a.k.a. NOC), Petroleum Training and Qualifying Institute, Zawia Road, Km. 9, P.O. Box 6184, Tripoli, Libya [LIBYA]

LNOC (a.k.a. LIBYAN NATIONAL OIL CORPORATION; a.k.a. NATIONAL OIL CORPORATION; a.k.a. NOC), Bashir Saadawi Street, P.O. Box 2655, Tripoli, Libya [LIBYA]

LOBATO, Julio (a.k.a. PRADO, Julio), Panama (individual) [CUBA]

LOPEZ, Miguel, A., Deputy Chairman, Havana International Bank, 20 Ironmonger Lane, London EC2V 8EY, England (individual) [CUBA]

LOPEZ, Quinno Gutierrez, c/o ANGLO CARIBBEAN SHIPPING CO., LTD., 7th Floor, Ibex House, the Minories, London, EC3N 1DY, England (individual) [CUBA]

LOTUS ISLANDS (Wadena Shipping Corp., Liberia) (vessel) [CUBA]

LOUTH HOLDINGS, S.A., Panama [CUBA]

LOVCEN (9HTU3) General Dry Cargo 12,375GT Malta Flag (South Cross Shipping Ltd.) (vessel) [FRY S&M]

LOVCEN OVERSEAS SHIPPING LTD., Valletta, Malta, c/o Rigel Shipmanagement Ltd., Second Floor, Regency House, Republic Street, Valletta, Malta [FRY S&M]

LUCIANO HOPE (f.k.a. POMORAC) (3EIE4) Bulk Carrier 20,904GT Liberia (Panama) Flag (Citimark Shipping Limited) ((Oceanic Bulk Shipping S.A.)) (vessel) [FRY S&M]

LUKA BAR-PREDUZECE, 81350 Bar, Montenegro [FRY S&M]

LUKIC, Vladimir; Deputy in SRBH Assembly; DOB circa 1930; Pale, Bosnia-Herzegovina (individual) [SRBH]

LUPAMAR INVESTMENT COMPANY (a.k.a. INVERSIONES LUPAMAR, S.A.), Panama [CUBA]

LZTK, Kikinda, Vojvodina (Serbia) [FRY S&M]

M POINT KFT (a.k.a. EAST POINT HOLDINGS), International Trade Center, Balcsy-Zsilhazky 12/304, Budapest, V-1051 Hungary [FRY S&M]

MAADI, N., Day Building, Bucharest Avenue, OIH Alley No. 1/17, Apt 8, Teheran, Iran (address of EAST POINT HOLDINGS) (individual) [FRY S&M]

MACHINE INDUSTRY OF NIS (a.k.a. MIN - MASINSKA INDUSTRIJA), Nis, Serbia [FRY S&M]

MACHINES AND TRACTORS INDUSTRY (a.k.a. IMT - INDUSTRIJA MOTORA I TRAKTORA), Belgrade, Serbia [FRY S&M]

MADAN, Jorge (RIVAS), Frankfurt, Germany (individual) [CUBA]

MADI, Ragaib Saad, P.O. Box 2297, Shoman Street, Fashioum, Tripoli, Libya (individual) [LIBYA]

MAG INTERTRADE, Serbia [FRY S&M]

MAGCOBAR (LIBYA) LTD., P.O. Box 867, Tripoli, Libya, (branch) Benghazi, Libya [LIBYA]

MAGHREBAN INTERNATIONAL TRADE COMPANY (a.k.a. MITCO), 47, Avenue Kheireddine Pacha, 1002 Tunis, Tunisia [LIBYA]

MAGNOHROM, Kraljevo, Serbia [FRY S&M]

MAHARI GENERAL AUTOMOBILE CO., Libya [LIBYA]

MAKSIMOVIC, Vojislav, Head of Srpska Demokratska Stranka Srpskih Zemalja Deputy Group, Mayor of "Serb Sarajevo", DOB 1939, POB Ustikolina, Bosnia-Herzegovina, Sarajevo, Bosnia-Herzegovina (individual) [SRBH]

MALIK, Anas (a.k.a. AL-HASSAN, Anas; a.k.a. AL-HASSAN, Anas Malik Dohan; a.k.a. DOHAN, Anas; a.k.a. DOHAN, Anas Malik), Jordan (individual) [IRAQ]

MALIK, Anas (a.k.a. AL-HASSAN, Anas; a.k.a. AL-HASSAN, Anas Malik Dohan; a.k.a. DOHAN, Anas; a.k.a. DOHAN, Anas Malik), Baghdad, Iraq (individual) [IRAQ]

MALIK, Assim Mohammed Rafiq Abdul (a.k.a. ABDULMALIK, Abdul Hameed; a.k.a. RAFIQ, Assem), 14 Almotaz Sad Al Deen Street, Al Nozha, Cairo, Egypt (individual) [IRAQ]

MANA, Salem, Frankfurt, Germany (individual) [LIBYA]

MANA, Salem, Libya (individual) [LIBYA]

MANDALI (f.k.a. ALKADISIYAH) (YIQS) Service 6,977DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]

MANZPER CORP., Panama [CUBA]

MAR AZUL (Senanque Shipping Co., Ltd., Cyprus) (vessel) [CUBA]

MARIEL (f.k.a. BEOGRAD) (9HSV3) Bulk Carrier 15,396GT Malta Flag (Lovcen Overseas Shipping Ltd.) (vessel) [FRY S&M]

MARINA SAN GORG CO. LTD. (a.k.a. MARINA SAN GORG HOLIDAY COMPLEX), Malta [FRY S&M]

MARINA SAN GORG HOLIDAY COMPLEX (a.k.a. MARINA SAN GORG CO. LTD.), Malta [FRY S&M]

MARINE REGISTRATION COMPANY, Panama [CUBA]

MARISCO (or MARISCOS) DE FARALLON, S.A., Panama [CUBA]

MARKETING ASSOCIATES CORPORATION, Calle 52 E, Campo Alegre, Panama City, Panama [CUBA]

MARKONIZONI, Serbia [FRY S&M]

MARUF, Taha Muhyi al-Din, Vice President; DOB 1924, Iraq (individual) [IRAQ]*

MARYOL ENTERPRISES, INC., Panama [CUBA]

MASINOKOMERC, Belgrade, Serbia [FRY S&M]

MASINOKOMERC, Knez Mihajlova 1-3, P. Fah 232, 11000 Belgrade, Serbia [FRY S&M]

MASLAKOVIC, Dusan, lor. Dragovica, I., Nicosia, Cyprus; Xenios Commerciale Centre, Archbishop Makarios III Avenue Suite 504, Nicosia, Cyprus (address of J.U.B. Holdings) (individual) [FRY S&M]

MASRAF AL-GUMHOURIA (n.k.a. JAMAHIRIYA BANK), see listings (38 local branches in Libya) [LIBYA]

MASSIV K (a.k.a. SP MASSIV KARIC; a.k.a. MASSIV-KARITSCH; a.k.a. KARIC MASSIV; a.k.a. MASSIV-KARICHI), 627720 RSFSR, Tyumenenskaya Oblast, Sovyetstrayon, Yagorks ul. Mira, 43, Russia [FRY S&M]

MASSIV-KARICHI (a.k.a. SP MASSIV KARIC; a.k.a. MASSIV K; a.k.a. MASSIV-KARITSCH; a.k.a. KARIC MASSIV), 627720 RSFSR, Tyumenenskaya Oblast, Sovyetstrayon, Yagorks ul. Mira, 43, Russia [FRY S&M]

MASSIV-KARITSCH (a.k.a. SP MASSIV KARIC; a.k.a. MASSIV K; a.k.a. KARIC MASSIV; a.k.a. MASSIV-KARICHI), 627720 RSFSR, Tyumenenskaya Oblast, Sovyetstrayon, Yagorks ul. Mira, 43, Russia [FRY S&M]

MATRIX CHURCHILL CORPORATION, 5903 Harper Road, Cleveland, Ohio 44139, U.S.A. [IRAQ]

MATROZ - CELLULOSE AND PAPER INDUSTRY (a.k.a. MATROZ SREMSKA MITROVICA), Sremska Mitrovica, Vojvodina (Serbia) [FRY S&M]

MATROZ SREMSKA MITROVICA (a.k.a. MATROZ - CELLULOSE AND PAPER INDUSTRY), Sremska Mitrovica, Vojvodina (Serbia) [FRY S&M]

MATUQ, Matuq Muhammad, Secretary of Education, Youth, Scientific Research, and Vocational Education of the Government of Libya, Libya, DOB 1956 (individual) [LIBYA]*

MAYSALOON (YIMY) Tug 368DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]

MEASAN (YIMN) Tug 310DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]

MEDAVIA (a.k.a. MEDITERRANEAN AVIATION COMPANY, LTD.), Malta [LIBYA]

MEDCHOICE HOLIDAYS LTD. (a.k.a. YUGOTOURS LTD.), Chesham House, 150 Regent Street, London WIR 6BB, England [FRY S&M]

MEDICAL EQUIPMENT COMPANY, P.O. Box 12419, Tripoli, Libya, (branch) P.O. Box 750, Benghazi, Libya, (branch) P.O. Box 464, Sebha, Libya [LIBYA]

MEDIFINANCE BANK, all offices (Bank is headquartered in Belgrade, Serbia) [FRY S&M]

MEDINA, Anita (a.k.a. Ana Maria MEDINA), Panama (individual) [CUBA]

MEDISA SARAJEVO, Sarajevo, Bosnia-Herzegovina [FRY S&M]

MEDISAN LIMITED, R1 6A, Qasam Industrial, Limb tal Ricasch, Kalkara, Malta [LIBYA]

MEDITERRANEAN AVIATION COMPANY, LTD (a.k.a. MEDAVIA), Malta [LIBYA]

MEDITERRANEAN FEED SERVICES S.A., Schutzengasse 25, Zurich CH-8001, Switzerland [LIBYA]

MEDITERRANEAN OIL SERVICES GMBH (a.k.a. MEDITERRANEAN SEA OIL SERVICES GMBH; a.k.a. MEDOIL), P.O. Box 5601, Immermannstrasse 40, Dusseldorf 1, Germany [LIBYA]

MEDITERRANEAN POWER ELECTRIC COMPANY LIMITED, A 18B, Industrial Estate, Marsa, Malta [LIBYA]

MEDITERRANEAN SEA OIL SERVICES GMBH (a.k.a. MEDITERRANEAN OIL SERVICES GMBH; a.k.a. MEDOIL), P.O. Box 5601, Immermannstrasse 40, Dusseldorf 1, Germany [LIBYA]

MEDITRADE LTD., all offices (headquartered in Belgrade, Serbia) [FRY S&M]

MEDOIL (a.k.a. MEDITERRANEAN OIL SERVICES GMBH; a.k.a. MEDITERRANEAN SEA OIL SERVICES GMBH), P.O. Box 5601, Immermannstrasse 40, Dusseldorf 1, Germany [LIBYA]

MEED INTERNATIONAL LIMITED, 3 Mandeville Place, London, England [IRAQ]

MENIL ENSTALT COMPANY, Vaduz, Liechtenstein [LIBYA]

MERCURIUS IMPORT/EXPORT COMPANY, PANAMA, S.A., Calle C, Edificio 18, Box 4048, Colon Free Zone, Panama [CUBA]

MERIMA, Krusevac, Serbia [FRY S&M]

MESOVITA BANKA d.d. (a.k.a. PKB BANKA; a.k.a. POLJOPRIVREDNI KREDITNA BEOGRAD BANKA), all offices (Bank is headquartered in Belgrade, Serbia) [FRY S&M]

METAL AND PLASTIC COMPONENTS PRODUCTION (a.k.a. PROGRES PRIZREN), Prizren, Kosovo (Serbia) [FRY S&M]

METAL UND STAHL HANDELS GMBH, Seilergasse 14, 1010 Vienna, Austria [FRY S&M]

METAL UND STAHL HANDELS GMBH, Strase Lutherana Corp. D-2, Bucharest, Romania [FRY S&M]

METALAC, Suboticka 23, 11050 Belgrade, Serbia [FRY S&M]

METALCHEM BOMBAY, Yugoslav Trade Commission Office, Vaswani Mansion 1st Floor, 120/4 Dinsha Caccha Road, Bombay, India 400020 [FRY S&M]

METALCHEM DIS TICARET LTD, Iskele Cadd., Iskele Arkasi, Sokak No 13 (Caml Yani), Uskudar-Salacak, Istanbul, Turkey [FRY S&M]

METALCHEM FRANCE S.A.R.L., 16 Avenue Franklin Roosevelt, 75008 Paris, France [FRY S&M]

METALCHEM INTERNATIONAL LTD., 79/83 Great Portland Street, London W1N 5FA, England [FRY S&M]

METALCHEMICAL COMMERCIAL CORPORATION, New York, NY, U.S.A. [FRY S&M]

METALIA S.R.L., Via Vittor Pisani 14, 20124 Milan, Italy [FRY S&M]

METALLIA HANDELS GMBH, Berliner Allee 61, Postf. 20 05 20, 4000 Dusseldorf 1, Germany [FRY S&M]

METALLIA MADRID, Plaza Castilla 3/1702, 28046 Madrid, Spain [FRY S&M]

METALLURGICAL COOPERATIVE OF SMEDEREVO (a.k.a. MKS - METALURSKI KOMBINAT SMEDEREVO), Smederevo, Serbia [FRY S&M]

METALOPLASTIKA, Jevrenova br 111, 15000 Sabac, Serbia [FRY S&M]

METALSERVIS, Belgrade, Serbia [FRY S&M]

METALURSKO METALSKI KOMBINAT NIKSIC, Niksic, Montenegro [FRY S&M]

METALWORKING MACHINES AND COMPONENTS INDUSTRY 14 OCTOBER (a.k.a. IMK 14 OKTOBAR), Krusevac, Serbia [FRY S&M]

METHAQ (YIMQ) Tug 248DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]

METROVIA, Switzerland [LIBYA]

METTA TRADING LTD., 79-83 Great Portland Street, London WIN 5FA, England [FRY S&M]

MG NORD TRADING COMPANY, Belgrade, Serbia [FRY S&M]

MICIC, Momcilo; Deputy in SRBH Assembly; Bosnia-Herzegovina (individual) [SRBH]

MIDCO FINANCE S.A. (a.k.a. MIDCO FINANCIAL S.A.; a.k.a. MONTANA MANAGEMENT INC.), 57 Rue du Rhone, CH-1204 Geneva, Switzerland [IRAQ]

MIDCO FINANCE S.A. (a.k.a. MIDCO FINANCIAL S.A.; a.k.a. MONTANA MANAGEMENT INC.), c/o Morgan & Morgan, Edificio Torre Swiss Bank, Piso 16, Calle 53 Este, Marbella, Panama City, Republic of Panama [IRAQ]

MIDCO FINANCIAL S.A. (a.k.a. MIDCO FINANCE S.A.; a.k.a. MONTANA MANAGEMENT INC.), c/o Morgan & Morgan, Edificio Torre Swiss Bank, Piso 16, Calle 53 Este, Marbella, Panama City, Republic of Panama [IRAQ]
MIDCO FINANCIAL S.A. (a.k.a. MIDCO FINANCE S.A.; a.k.a. MONTANA MANAGEMENT INC.), 57 Rue du Rhone, CH-1204 Geneva, Switzerland [IRAQ]
MIHIC, Vukasin, DOB 17 Jul 28; Ul. Majke Jevrosime 39, Belgrade, Serbia (individual) [FRY S&M]
MILANOVIC, Pantelija; Deputy in SRBH Assembly, Pale, Bosnia-Herzegovina (individual) [SRBH]
MILENA SHIP MANAGEMENT CO. LTD. (a.k.a. MILENA LINES), Masons Building, 86, The Strand, Sliema, Malta [FRY S&M]
MILJKOVIC, Milan; Deputy in SRBH Assembly; Doboj, Bosnia-Herzegovina (individual) [SRBH]
MILOSEVIC, Dragan (a.k.a. MILOSEVIC, Dragomir); Major General and Commander, Sarajevo-Romanijski Corps, SRBH Forces; Bosnia-Herzegovina (individual) [SRBH]
MILOSEVIC, Dragomir (a.k.a. MILOSEVIC, Dragan); Major General and Commander, Sarajevo-Romanijski Corps, SRBH Forces; Bosnia-Herzegovina (individual) [SRBH]
MILOVANOVIC, Manojlo, Major General and Military Chief of Staff, SRBH Forces; DOB circa 1943-1944; POB Lijevce Polje, Bosnia-Herzegovina, Bosnia-Herzegovina (individual) [SRBH]
MIN - MASINSKA INDUSTRIJA (a.k.a. MACHINE INDUSTRY OF NIS), Nis, Serbia [FRY S&M]
MINEL, Belgrade, Serbia [FRY S&M]
MINEX AD CO., 33 Vsegradska Street, Nis, Serbia [FRY S&M]
MINING METALLURGY-CHEMICAL COMBINATION OF LEAD AND ZINC (a.k.a. TREPCA-KOSOVSKA MITROVICA), Kosovska Mitrovica, Kosovo (Serbia) [FRY S&M]
MIOVCIC, Zdravko, Chef du Cabinet of Premier of SRBH; Bosnia-Herzegovina (individual) [SRBH]
MISTRA VILLAGE LTD., 22 Europa Centre, Floriana, Malta (registered address), Xemija Hill, St. Paul's Bay, Malta (operating address) [FRY S&M]
MISURATA GENERAL ROADS CO., P.O. Box 200, Misurata, Libya; (branch) P.O. Box 958, Tripoli, Libya [LIBYA]
MITCO (a.k.a. MAGHREBAN INTERNATIONAL TRADE COMPANY), 47, Avenue Kheireddine Pacha, 1002 Tunis, Tunisia [LIBYA]
MITSUKURA BOEKI K.K. (a.k.a. MITSUKURA BOEKI-KAISHA, LTD.; a.k.a. MITSUKURA CORPORATION; a.k.a. MITSUKURA TRADING COMPANY LIMITED), 2-26 Isobe-don, 4-chome, Chuo-Ku Kobe, Japan [CUBA]
MITSUKURA BOEKI K.K. (a.k.a. MITSUKURA BOEKI-KAISHA, LTD.; a.k.a. MITSUKURA CORPORATION; a.k.a. MITSUKURA TRADING COMPANY LIMITED), 4-1-13 Hachiman-don, Chuo-Ku Kobe, Japan [CUBA]
MITSUKURA BOEKI-KAISHA, LTD. (a.k.a. MITSUKURA BOEKI K.K.; a.k.a. MITSUKURA CORPORATION; a.k.a. MITSUKURA TRADING COMPANY LIMITED), 4-1-13 Hachiman-don, Chuo-Ku Kobe, Japan [CUBA]
MITSUKURA BOEKI-KAISHA, LTD. (a.k.a. MITSUKURA BOEKI K.K.; a.k.a. MITSUKURA CORPORATION; a.k.a. MITSUKURA TRADING COMPANY LIMITED), 2-26 Isobe-don, 4-chome, Chuo-Ku Kobe, Japan [CUBA]
MITSUKURA CORPORATION (a.k.a. MITSUKURA BOEKI-KAISHA, LTD.; a.k.a. MITSUKURA BOEKI K.K.; a.k.a. MITSUKURA TRADING COMPANY LIMITED), 2-26 Isobe-don, 4-chome, Chuo-Ku Kobe, Japan [CUBA]
MITSUKURA CORPORATION (a.k.a. MITSUKURA BOEKI-KAISHA, LTD.; a.k.a. MITSUKURA BOEKI K.K.; a.k.a. MITSUKURA TRADING COMPANY LIMITED), 4-1-13 Hachiman-don, Chuo-Ku Kobe, Japan [CUBA]
MITSUKURA TRADING COMPANY LIMITED (a.k.a. MITSUKURA BOEKI-KAISHA, LTD.; a.k.a. MITSUKURA BOEKI K.K.; a.k.a. MITSUKURA CORPORATION), 2-26 Isobe-don, 4-chome, Chuo-Ku Kobe, Japan [CUBA]
MITSUKURA TRADING COMPANY LIMITED (a.k.a. MITSUKURA BOEKI-KAISHA, LTD.; a.k.a. MITSUKURA BOEKI K.K.; a.k.a. MITSUKURA CORPORATION), 4-1-13 Hachiman-don, Chuo-Ku Kobe, Japan [CUBA]
MJESOVITO, Herceg Novi, Montenegro [FRY S&M]
MKS - METALURSKI KOMBINAT SMEDEREVO (a.k.a. METALLURGICAL COOPERATIVE OF SMEDEREVO), Smederevo, Serbia [FRY S&M]
MLADIC, Ratko, Colonel General and Army Commander, SRBH Forces; DOB 12 Mar 43; POB Bozinovici, Bosnia-Herzegovina; Bosnia-Herzegovina (individual) [SRBH]
MOA (f.k.a. VIRPAZAR) (9HTM3) General Dry Cargo 9,201GT Malta Flag (Bar Overseas Shipping Ltd.) (vessel) [FRY S&M]
MOBIL OIL LIBYA, LTD. (n.k.a. VEBA OIL LIBYA GMBH, n.k.a. VEBA OIL LIBYAN BRANCH; n.k.a. VEBA OIL OPERATIONS B.V.), see listings (Designation applies only to joint venture located in Libya and office located in the Netherlands) [LIBYA]
MOHAMED, Abdul Kader Ibrahim, Jianguomenwai Diplomatic Housing Compound, Building 7-1, 5th Floor, Apartment 4, Beijing, People's Republic of China (individual) [IRAQ]
MONET TRADING COMPANY, Panama [CUBA]
MONTANA MANAGEMENT INC. (a.k.a. MIDCO FINANCIAL S.A.; a.k.a. MIDCO FINANCE S.A., 57 Rue du Rhone, CH-1204 Geneva, Switzerland), c/o Morgan & Morgan, Edificio Torre Swiss Bank, Piso 16, Calle 53 Este, Marbella, Panama City, Republic of Panama [IRAQ]
MONTANES, Roger (a.k.a. Roger Montanes CABALLERO, a.k.a. Roger Edward DOOLEY), Panama (individual) [CUBA]
MONTANEZ, Michael, Panama (individual) [CUBA]
MONTE (f.k.a. KOMOVI) (9HTD3) General Dry Cargo 9,183GT Malta Flag (Bar Overseas Shipping Ltd.) (vessel) [FRY S&M]
MONTENEGRIN RAILROAD TRANSPORTATION ORGANIZATION (a.k.a. ZELEZNICKO TRANSPORTNO PREDUZECE CRNE GORE), Montenegro [FRY S&M]
MONTENEGRO ELECTRIC POWER COMPANY (a.k.a. ELEKTROPRIVREDA CRNE GORE), Podgorica, Montenegro [FRY S&M]
MONTENEGRO EXPORT NIKSIC, 1052 Vaci u 19/21, Budapest, Hungary [FRY S&M]
MONTENEGRO EXPORT YUGOSLAVIA, Kurucles: ut 19/b, Budapest II, Hungary [FRY S&M]
MONTENEGRO OCEAN SHIPPING (n.k.a. SOUTH CROSS SHIPPING LTD.), Valletta, Malta, c/o Milena Ship Management Co. Ltd., Masons Building, 86, The Strand, Sliema, Malta [FRY S&M]
MONTENEGRO OVERSEAS NAVIGATION LTD., Panama City, Panama, c/o Prekookeanska Plovidba, P.O. Box 87, Marsala Tita 46, 85000 Bar, Montenegro [FRY S&M]
MONTENEGRO POST, TELEGRAPH AND TELEPHONE (a.k.a. PTT CRNE GORE), Montenegro [FRY S&M]
MONTENEGROBANKA COMPANY, Kaiserstrasse 3, Frankfurt, Germany [FRY S&M]
MONTENEGROBANKA d.d. (a.k.a. INVESTICIONA BANKA TITOGRAD), all offices worldwide (Bank is headquartered in Podgorica, Montenegro) [FRY S&M] including, but not limited to:
• MONTENEGROBANKA d.d. (a.k.a. INVESTICIONA BANKA TITOGRAD), Bulevar Revolucije 1, P.O. Box 183, 81001 Podgorica, Montenegro [FRY S&M]
MONTENEGROEXPORT PREDSTAVITELSTVO FIRMY, (MONTENEGROEXPORT REPRESENTATIVE OFFICE), B Pereiaslavskaia d 7 kv 118, Moscow, Russia [FRY S&M]
MONTENEGROEXPORT STROIPLOSCADKA YUGOSLAVSKOI FIRMY, 1-i Krasnogvardeyskii Proyezd, Moscow, Russia [FRY S&M]
MONTENEGROEXPRES - BUDVA (a.k.a. TOURIST ENTERPRISE MONTENEGROEXPRES), Budva, Montenegro [FRY S&M]
MONTEX BANKA d.d., all offices (Bank is headquartered in Belgrade, Serbia) [FRY S&M]
MONTEX, Niksic, Montenegro [FRY S&M]
MONTINVEST, Bulevar revolucije 84, P.O. Box 821, 11001 Belgrade, Serbia [FRY S&M]
MONTINVEST, Wilhelm-Leuschner Strasse 68, 6000 Frankfurt am Main 1, Germany [FRY S&M]
MOONEX INTERNATIONAL, S.A., Kingston, Jamaica [CUBA]
MOONEX INTERNATIONAL, S.A., Panama [CUBA]
MORACA (9HTE3) General Dry Cargo 13,651GT Malta Flag (Oktoih Overseas Shipping Ltd.) (vessel) [FRY S&M]
MORAVA, Serbia [FRY S&M]
MOSLAVINA (9HTW3) General Dry Cargo 11,771GT Malta Flag (South Adriatic Bulk Shipping Ltd.) (vessel) [FRY S&M]
MOSTOGRADNJA-GRADJEVNO PREDUZECE, Vlajkoviceva 19A, 11000 Belgrade, Serbia [FRY S&M]
MOTOR INDUSTRY OF RAKOVICA (a.k.a. IMR - INDUSTRIJA MOTORA RAKOVICA), Belgrade, Serbia [FRY S&M]
MUBARAK, Umid Midhat (a.k.a. MUBARAK Umid Medhat), Minister of Health; DOB ca. 1940; Iraq (individual) [IRAQ]*
MUBARAK, Umid Medhat (a.k.a. MUBARAK Umid Midhat), Minister of Health; DOB ca. 1940; Iraq (individual) [IRAQ]*
MUGHNIYAH, Imad Fa'iz (a.k.a. MUGHNIYAH, Imad Fayiz); Senior Intelligence Officer of HIZBALLAH; DOB 07 Dec 1962; POB Tayr Dibba, Lebanon; Passport No. 432298 (Lebanon) (individual) [SDT]
MUGHNIYAH, Imad Fayiz (a.k.a. MUGHNIYAH, Imad Fa'iz); Senior Intelligence Officer of HIZBALLAH; DOB 07 Dec 1962; POB Tayr Dibba, Lebanon; Passport No. 432298 (Lebanon) (individual) [SDT]
MUHARIKAAT GENERAL AUTOMOBILE CO., P.O. Box 259, Tripoli, Libya; (branch) P.O. Box 203, Benghazi, Libya [LIBYA]
MURALLA, S.A. (a.k.a. COMERCIAL MURALLA, S.A.), Panama City, Panama [CUBA]
N A I B (a.k.a. BANQUE ARABE D'AFRIQUE DU NORD [BAAN]; a.k.a. BANQUE ARABE DU NORD-BAAN; a.k.a. NORTH AFRICA INTERNATIONAL BANK; a.k.a. NORTH AFRICAN INTERNATIONAL BANK), Avenue Kheireddine Pacha 25, Tunis, Tunisia [LIBYA]
N A I B (a.k.a. BANQUE ARABE D'AFRIQUE DU NORD [BAAN]; a.k.a. BANQUE ARABE DU NORD-BAAN; a.k.a. NORTH AFRICA INTERNATIONAL BANK; a.k.a. NORTH AFRICAN INTERNATIONAL BANK), P.O. Box 485, 1080 Tunis Cedex, Tunisia [LIBYA]
N A I B (a.k.a. BANQUE ARABE D'AFRIQUE DU NORD [BAAN]; a.k.a. BANQUE ARABE DU NORD-BAAN; a.k.a. NORTH AFRICA INTERNATIONAL BANK; a.k.a. NORTH AFRICAN INTERNATIONAL BANK), 25 Avenue Khereddine Pacha, Tunis, Tunisia [LIBYA]
N A I B (a.k.a. BANQUE ARABE D'AFRIQUE DU NORD [BAAN], a.k.a. BANQUE ARABE DU NORD-BAAN, a.k.a. NORTH AFRICA INTERNATIONAL BANK; a.k.a. NORTH AFRICAN INTERNATIONAL BANK), P.O. Box 102, Le Belvedere, 1002 Tunis, Tunisia [LIBYA]
NAAS, Mahmoud, Libya (individual) [LIBYA]
NACIONAL, Serbia [FRY S&M]
NACIONAL SHOP, Belgrade, Serbia [FRY S&M]
NAFTAGAS, Novi Sad, Vojvodina (Serbia) [FRY S&M]
NAFTAGAS-PROMET, Novi Sad, Vojvodina (Serbia) [FRY S&M]
NAFTAGAS-REFINERIJA, Pancevo, Vojvodina (Serbia) [FRY S&M]
NAGROOR (N/A) Fish 140DWT Iraqi flag (Government of the Republic of Iraq, Ministry of Agriculture & Agrarian Reform, State Fisheries Company, Baghdad, Iraq) (vessel) [IRAQ]
NAINAWA (YINW) Tug 310DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
NAJAH, Tahor, Manama, Bahrain (individual) [LIBYA]
NAJAH, Tahor, Tripoli, Libya (individual) [LIBYA]
NAJI, Talal Muhammad Rashid, Principal Deputy of POPULAR FRONT FOR THE LIBERATION OF PALESTINE - GENERAL COMMAND; DOB 1930; POB Al Nasina, Palestine (individual) [SDT]
NAMAN, Saalim (a.k.a. NAMAN, Sam), 3343 Woodview Lake Road, West Bloomfield, MI 48323 U.S.A. (individual) [IRAQ]

NAMAN, Saalim (a.k.a. NAMAN, Sam), 5903 Harper Road, Solon, OH 44139, U.S.A. (individual) [IRAQ]
NAMAN, Saalim (a.k.a. NAMAN, Sam), 600 Grant Street, 42nd Floor, Pittsburgh, PA 15219, U.S.A. (individual) [IRAQ]
NAMAN, Saalim (a.k.a. NAMAN, Sam), Amman, Jordan (individual) [IRAQ]
NAMAN, Saalim (a.k.a. NAMAN, Sam), Iraq (individual) [IRAQ]
NAMAN, Saalim (a.k.a. NAMAN, Sam), P.O. Box 39, Fletchamstead Highway, Coventry, England (individual) [IRAQ]
NAP-COMBICK OEL GMBH, Windmuehlstrasse 1, 6000 Frankfurt am Main 1, Germany [FRY S&M]
NAPETCO (a.k.a. NATIONAL PETROCHEMICALS COMPANY; f.k.a. NATIONAL METHANOL COMPANY), P.O. Box 5324, Garden City, Benghazi, Libya [LIBYA]
NAPETCO (a.k.a. NATIONAL PETROCHEMICALS COMPANY; f.k.a. NATIONAL METHANOL COMPANY), P.O. Box 20812, Marsa Brega, Libya [LIBYA]
NAPETCO (a.k.a. NATIONAL PETROCHEMICALS COMPANY; f.k.a. NATIONAL METHANOL COMPANY), Dusseldorf, Germany (Office Closed) [LIBYA]
NARODNA BANKA CRNE GORE (a.k.a. NATIONAL BANK OF MONTENEGRO), Podgorica, Montenegro [FRY S&M]
NARODNA BANKA JUGOSLAVIJE (a.k.a. BANQUE NATIONALE DE YOUGOSLAVIE; a.k.a. NATIONAL BANK OF YUGOSLAVIA), Belgrade, Serbia [FRY S&M]
NARODNA BANKA SRBIJE (a.k.a. NATIONAL BANK OF SERBIA), Belgrade, Serbia [FRY S&M]
NASCO (a.k.a. NATIONAL SUPPLIES CORPORATION), P.O. Box 3402, Sharia Omar Mukhtar, Tripoli, Libya; (branch) P.O. Box 2071, Benghazi, Libya [LIBYA]
NASRALLAH, Hasan; Secretary General of HIZBALLAH; DOB 31 Aug 1960 or 1953 or 1955 or 1958; POB Al Basuriyah, Lebanon; Passport No 042833 (Lebanon) (individual) [SDT]
NATIONAL AGRICULTURAL BANK OF LIBYA (a.k.a. THE AGRICULTURAL BANK; a.k.a. LIBYAN AGRICULTURAL BANK), (1 city branch and 27 branches in Libya) [LIBYA]
NATIONAL AGRICULTURAL BANK OF LIBYA (a.k.a. THE AGRICULTURAL BANK; a.k.a. LIBYAN AGRICULTURAL BANK), 52, Omar El Mokhtar Street, P.O. Box 1100, Tripoli, Libya [LIBYA]
NATIONAL BANK OF CUBA (a.k.a. BANCO NACIONAL DE CUBA; a.k.a. BNC), Dai-Ichi Bldg 6th Floor, 10-2 Nihombashi, 2-chome, Chuo-ku Tokyo 103, Japan [CUBA]
NATIONAL BANK OF CUBA (a.k.a. BANCO NACIONAL DE CUBA; a.k.a. BNC), Zweierstrasse 35, CH-8022 Zurich, Switzerland [CUBA]
NATIONAL BANK OF CUBA (a.k.a. BANCO NACIONAL DE CUBA; a.k.a. BNC), Federico Boyd Avenue & 51 Street, Panama City, Panama [CUBA]
NATIONAL BANK OF CUBA (a.k.a. BANCO NACIONAL DE CUBA; a.k.a. BNC), Avenida de Concha Espina 8, E-28036 Madrid, Spain [CUBA]
NATIONAL BANK OF MONTENEGRO (a.k.a. NARODNA BANKA CRNE GORE), Podgorica Montenegro [FRY S&M]
NATIONAL BANK OF SERBIA (a.k.a. NARODNA BANKA SRBIJE), Belgrade, Serbia [FRY S&M]
NATIONAL BANK OF YUGOSLAVIA (a.k.a. BANQUE NATIONALE DE YOUGOSLAVIE; a.k.a. NARODNA BANKA JUGOSLAVIJE), Belgrade, Serbia [FRY S&M]
NATIONAL CEMENT AND BUILDING MATERIALS EST., P.O. Box 628, Sharia Hayati 21, Tripoli, Libya [LIBYA]
NATIONAL COMMERCIAL BANK S.A.L., (22 branches in Libya) [LIBYA]
NATIONAL COMMERCIAL BANK S.A.L., P.O. Box 166, Benghazi, Libya [LIBYA]
NATIONAL COMMERCIAL BANK S.A.L., P.O. Box 4647, Shuhada Square, Tripoli, Libya [LIBYA]
NATIONAL COMPANY DRILLING CHEMICAL & EQUIPMENT (a.k.a. JOWFE), NOC Building, Ashjara Square, Benghazi, Libya [LIBYA]
NATIONAL CO. FOR CHEMICAL PREPARATION AND COSMETIC PRODUCTS, P.O. Box 2442, Tripoli, Libya; Benghazi Office, Benghazi, Libya [LIBYA]
NATIONAL CO. FOR CONSTRUCTION AND MAINTENANCE OF MUNICIPAL WORKS, P.O. Box 12908, Zavia Street, Tripoli, Libya; (branch) P.O. Box 441, Benghazi, Libya [LIBYA]
NATIONAL COMPANY FOR FIELD AND TERMINALS CATERING, Airport Road, Km. 3, P.O. Box 491, Tripoli, Libya [LIBYA]
NATIONAL CO. FOR LIGHT EQUIPMENT, P.O. Box 8707, Tripoli, Libya; (branch) P.O. Box 540, Benghazi, Libya [LIBYA]
NATIONAL CO. FOR METAL WORKS, P.O. Box 2913, Tripoli, Libya; (branch) P.O. Box 4093, Benghazi, Libya; Lift Department, P.O. Box 1000, Tripoli, Libya [LIBYA]
NATIONAL COMPANY FOR OILFIELD EQUIPMENT, P.O. Box 8707, Tripoli, Libya [LIBYA]
NATIONAL CO. FOR ROAD EQUIPMENT, P.O. Box 12392, Tripoli, Libya; (branch) P.O. Box 700, Benghazi, Libya [LIBYA]
NATIONAL CO. FOR ROADS AND AIRPORTS, P.O. Box 4050, Benghazi, Libya; (branch) P.O. Box 8634, Sharia Al Jaraba, Tripoli, Libya [LIBYA]
NATIONAL CO. FOR TRADING AND MANUFACTURING OF CLOTHING, Libya [LIBYA]
NATIONAL CO. OF SOAP AND CLEANING MATERIALS, P.O. Box 12025, Tripoli, Libya; (branch) P.O. Box 246, Benghazi, Libya [LIBYA]
NATIONAL CONSTRUCTION AND ENGINEERING CO., P.O. Box 1060, Sharia Sidi Issa, Tripoli, Libya; (branch) P.O. Box 259, Benghazi, Libya [LIBYA]
NATIONAL CONSULTING BUREAU, P.O. Box 12795, Tripoli, Libya; Sirte City Branch Office, Sirte City, Libya [LIBYA]
NATIONAL CORPORATION FOR HOUSING, P.O. Box 4829, Sharia el Jumhuriya, Tripoli, Libya [LIBYA]
NATIONAL DEPARTMENT STORES CO., P.O. Box 5327, Sharia el Jumhuriya, Tripoli, Libya [LIBYA]
NATIONAL DRILLING COMPANY (LIBYA) (a.k.a. NATIONAL DRILLING COMPANY; a.k.a. NATIONAL DRILLING WORKOVER COMPANY), 208 Omar El Mokhtar Street, P.O. Box 1454, Tripoli, Libya [LIBYA]
NATIONAL DRILLING WORKOVER COMPANY (a.k.a. NATIONAL DRILLING COMPANY; a.k.a. NATIONAL DRILLING COMPANY (LIBYA)), 208 Omar El Mokhtar Street, P.O. Box 1454, Tripoli, Libya [LIBYA]
NATIONAL DRILLING COMPANY (a.k.a. NATIONAL DRILLING COMPANY (LIBYA); a.k.a. NATIONAL DRILLING WORKOVER COMPANY), 208 Omar El Mokhtar Street, P.O. Box 1454, Tripoli, Libya [LIBYA]
NATIONAL FOODSTUFFS IMPORTS, EXPORTS AND MANUFACTURING CO. SAL, P.O. Box 11114, Tripoli, Libya; (branch) P.O. Box 2439, Benghazi, Libya [LIBYA]
NATIONAL GENERAL INDUSTRIAL CONTRACTING CO., Sharia el Jumhouria, P.O. Box 295, Tripoli, Libya [LIBYA]
NATIONAL GENERAL INSURANCE CO. LTD., Salah Aldin Al Ayubi Street, Deira-Dubai, United Arab Emirates [NKOREA]
NATIONAL LIVESTOCK AND MEAT CO., P.O. Box 389, Sharia Zawiet Dahmani, Tripoli, Libya; (branch) P.O. Box 4153, Sharia Jamal Adulnaseer, Benghazi, Libya [LIBYA]
NATIONAL METHANOL COMPANY (n.k.a. NAPETCO; n.k.a. NATIONAL PETROCHEMICALS COMPANY), see listings [LIBYA]
NATIONAL OIL CORPORATION (a.k.a. LIBYAN NATIONAL OIL CORPORATION; a.k.a. LNOC; a.k.a. NOC), (Subsidiaries and joint ventures in Libya and worldwide) [LIBYA]
NATIONAL OIL CORPORATION (a.k.a. LIBYAN NATIONAL OIL CORPORATION; a.k.a. LNOC; a.k.a. NOC), Petroleum Training and Qualifying Institute, Zawia Road, Km. 9, P.O. Box 6184, Tripoli, Libya [LIBYA]
NATIONAL OIL CORPORATION (a.k.a. LIBYAN NATIONAL OIL CORPORATION; a.k.a. LNOC; a.k.a. NOC), P.O. Box 2978, Benghazi, Libya [LIBYA]
NATIONAL OIL CORPORATION (a.k.a. LIBYAN NATIONAL OIL CORPORATION; a.k.a. LNOC; a.k.a. NOC), Dahra Gas Projects Office, Dahra Street, P.O. Box 12221, Dahra, Tripoli, Libya [LIBYA]
NATIONAL OIL CORPORATION (a.k.a. LIBYAN NATIONAL OIL CORPORATION; a.k.a. LNOC; a.k.a. NOC), Petroleum Research Centre, Al Nasser Street, P.O. Box 6431, Tripoli, Libya [LIBYA]
NATIONAL OIL CORPORATION (a.k.a. LIBYAN NATIONAL OIL CORPORATION; a.k.a. LNOC; a.k.a. NOC), Bashir Saadawi Street, P.O. Box 2655, Tripoli, Libya [LIBYA]
NATIONAL PETROCHEMICALS COMPANY (a.k.a. NAPETCO; f.k.a. NATIONAL METHANOL COMPANY), P.O. Box 20812, Marsa Brega, Libya [LIBYA]
NATIONAL PETROCHEMICALS COMPANY (a.k.a. NAPETCO; f.k.a. NATIONAL METHANOL COMPANY), Dusseldorf, Germany (Office Closed) [LIBYA]
NATIONAL PETROCHEMICALS COMPANY (a.k.a. NAPETCO; f.k.a. NATIONAL METHANOL COMPANY), P.O. Box 5324, Garden City, Benghazi, Libya [LIBYA]
NATIONAL PHARMACEUTICAL CO. SAL, 20 Jalal Bayer Street, P.O. Box 2296, Tripoli, Libya; (branch) Jamahiriya Street, P.O. Box 10225, Tripoli, Libya; (branch) P.O. Box 2620, Benghazi, Libya [LIBYA]
NATIONAL SOFT DRINKS EST., P.O. Box 559, Benghazi, Libya; (branch) Litraco Impex Ltd, P.O. Box 5686, Benghazi, Libya [LIBYA]
NATIONAL STORES AND COLD STORES CO., P.O. Box 8454, Tripoli, Libya; (branch), P.O. Box 9250, Benghazi, Libya [LIBYA]
NATIONAL SUPPLIES CORPORATION (a.k.a. NASCO), P.O. Box 3402, Sharia Omar Mukhtar, Tripoli, Libya; (branch) P.O. Box 2071, Benghazi, Libya [LIBYA]
NATIONAL TELECOMMUNICATIONS CO., P.O. Box 886, Sharia Zawia, Tripoli, Libya; (branch) P.O. Box 4139, Benghazi, Libya [LIBYA]
NAVARRO, Samuel (MARTINEZ), Frankfurt, Germany (individual) [CUBA]
NAVIERA MARITIMA DE AROSA, S.A., Paseo de Pereda 36, Apartado 141, 39004 Santander, Spain [CUBA]
NAVIGABLE WATER CORP., LTD., Panama [CUBA]
NDO (a.k.a. NORDDEUTSCHE OELLEITUNGSGESELLSCHAFT MBH; a.k.a. NORTH GERMAN OIL PIPELINE), Moorburger Strasse 16, D2000 Hamburg-Harburg 90, Germany [LIBYA]
NDO (a.k.a. NORDDEUTSCHE OELLEITUNGSGESELLSCHAFT MBH; a.k.a. NORTH GERMAN OIL PIPELINE), Wilhelmshaven to Hamburg pipeline, Germany [LIBYA]
NEDELJKOVIC, Olivera (f.k.a. KARIC, Olivera); DOB 1960 (moves from country to country) [FRY S&M]
NEDIC, Miladin; Deputy in SRBH Assembly; Ozren, Bosnia-Herzegovina (individual) [SRBH]
NESSI, Ferruccio, Piazza Grande 26, 6600 Locarno, Switzerland (individual) [IRAQ]
NEUTRON INTERNATIONAL, Tripoli, Libya [LIBYA]
NIDAL, Abu (a.k.a. AL BANNA, Sabri Khalil Abd Al Qadir); Founder and Secretary General of ABU NIDAL ORGANIZATION; DOB May 1937 or 1940; POB Jaffa, Israel (individual) [SDT]
NIGERIAN ENGINEERING AND CONSTRUCTION CO. LTD., Ebute-Metta, Lagos, Nigeria [FRY S&M]
NIKSA BANKA, all offices (Bank is headquartered in Belgrade, Serbia) [FRY S&M]
NIKSIC (n.k.a. BAYAMO) (9HTF3) Bulk Carrier 9,916GT Malta flag (Lovcen Overseas Shipping Ltd.) (vessel) [FRY S&M]
NINKOVIC, Milan; Minister of Defense of SRBH; POB Doboj Region, Bosnia-Herzegovina; Bosnia-Herzegovina(individual) [SRBH]
NINKOVIC, Zivomir; Major General and Commander, Air Force and Air Defense, SRBH Forces, Bosnia-Herzegovina (individual) [SRBH]

NIPE (f.k.a. ULCINJ) (9HTL3) Bulk Carrier 9,028GT Malta Flag (Lovcen Overseas Shipping Ltd.) (vessel) [FRY S&M]
NIPPON-CARIBBEAN CO., LTD. Chuo-Ku, Akasaki-Chuo 1-1 Akasaki Bldg., Tokyo, Japan [CUBA]
NIREF, Boezembolcht 23, Rotterdam, Netherlands [CUBA]
NIS-NAFTA INDUSTRIJA SRBIJE (a.k.a. SERBIAN PETROLEUM INDUSTRY), Novi Sad, Vojvodina (Serbia) [FRY S&M]
NISR (YISR) Service 744DWT Iraqi flag (State Org of Iraqi Ports) (vessel) [IRAQ]
NISSAL, Bulevar Veljka Vlahovica bb, 18000 Nis, Serbia [FRY S&M]
NO. 1 (N/A) Service 30DWT Iraqi flag (State Org of Iraqi Ports) (vessel) [IRAQ]
NO. 2 (N/A) Service 30DWT Iraqi flag (State Org of Iraqi Ports) (vessel) [IRAQ]
NOC (a.k.a. LIBYAN NATIONAL OIL CORPORATION; a.k.a. LNOC; a.k.a. NATIONAL OIL CORPORATION), Dahra Gas Projects Office, Dahra Street, P.O. Box 12221, Dahra, Tripoli, Libya [LIBYA]
NOC (a.k.a. LIBYAN NATIONAL OIL CORPORATION; a.k.a. LNOC; a.k.a. NATIONAL OIL CORPORATION), Petroleum Training and Qualifying Institute, Zawia Road, Km. 9, P.O. Box 6184, Tripoli, Libya [LIBYA]
NOC (a.k.a. LIBYAN NATIONAL OIL CORPORATION; a.k.a. LNOC; a.k.a. NATIONAL OIL CORPORATION), Petroleum Research Centre, Al Nasser Street, P.O. Box 6431, Tripoli, Libya [LIBYA]
NOC (a.k.a. LIBYAN NATIONAL OIL CORPORATION; a.k.a. LNOC; a.k.a. NATIONAL OIL CORPORATION), P.O. Box 2978, Benghazi, Libya [LIBYA]
NOC (a.k.a. LIBYAN NATIONAL OIL CORPORATION; a.k.a. LNOC; a.k.a. NATIONAL OIL CORPORATION), Bashir Saadawi Street, P.O. Box 2655, Tripoli, Libya [LIBYA]
NOC (a.k.a. LIBYAN NATIONAL OIL CORPORATION; a.k.a. LNOC, a.k.a. NATIONAL OIL CORPORATION), (Subsidiaries and joint ventures in Libya and worldwide) [LIBYA]
NOLIVEL, Belgrade, Serbia [FRY S&M]
NORDDEUTSCHE OELLEITUNGSGESELLSCHAFT MBH (a.k.a. NDO; a.k.a. NORTH GERMAN OIL PIPELINE), Wilhelmshaven to Hamburg pipeline, Germany [LIBYA]
NORDDEUTSCHE OELLEITUNGSGESELLSCHAFT MBH (a.k.a. NDO, a.k.a. NORTH GERMAN OIL PIPELINE), Moorburger Strasse 16, D2000 Hamburg-Harburg 90, Germany [LIBYA]
NORDSTRAND LTD., Liechtenstein [CUBA]
NORDSTRAND MARITIME AND TRADING COMPANY, 33 Akti Maouli, 185-35 Pireas (Piraeus), Greece [CUBA]
NORIEGA, Manuel Antonio, Panama (individual) [CUBA]
NORTH AFRICA COMMERCIAL BANK S.A.L. (f.k.a. ARAB LIBYAN TUNISIAN BANK S.A.L.), P.O. Box 9575/11, 1st Floor, Piccadilly Centre, Hamra Street, Beirut, Lebanon [LIBYA]
NORTH AFRICA INDUSTRIAL TRADING AND CONTRACTING CO., P.O. Box 245, Tripoli, Libya [LIBYA]
NORTH AFRICA INTERNATIONAL BANK (a.k.a. BANQUE ARABE D'AFRIQUE DU NORD [BAAN]; a.k.a. BANQUE ARABE DU NORD-BAAN; a.k.a. N.A.I.B.; a.k.a. NORTH AFRICAN INTERNATIONAL BANK), 25 Avenue Khereddine Pacha, Tunis, Tunisia [LIBYA]
NORTH AFRICA INTERNATIONAL BANK (a.k.a. BANQUE ARABE D'AFRIQUE DU NORD [BAAN]; a.k.a. BANQUE ARABE DU NORD-BAAN; a.k.a. N.A.I.B.; a.k.a. NORTH AFRICAN INTERNATIONAL BANK), P.O. Box 102, Le Belvedere, 1002 Tunis, Tunisia [LIBYA]
NORTH AFRICA INTERNATIONAL BANK (a.k.a. BANQUE ARABE D'AFRIQUE DU NORD [BAAN]; a.k.a. BANQUE ARABE DU NORD-BAAN; a.k.a. N.A.I.B.; a.k.a. NORTH AFRICAN INTERNATIONAL BANK), Avenue Kheireddine Pacha 25, Tunis, Tunisia [LIBYA]
NORTH AFRICA INTERNATIONAL BANK (a.k.a. BANQUE ARABE D'AFRIQUE DU NORD [BAAN]; a.k.a. BANQUE ARABE DU NORD-BAAN; a.k.a. N.A.I.B.; a.k.a. NORTH AFRICAN INTERNATIONAL BANK), P.O. Box 485, 1080 Tunis Cedex, Tunisia [LIBYA]
NORTH AFRICAN INTERNATIONAL BANK (a.k.a. BANQUE ARABE D'AFRIQUE DU NORD [BAAN]; a.k.a. BANQUE ARABE DU NORD-BAAN; a.k.a. N.A.I.B.; a.k.a. NORTH AFRICA INTERNATIONAL BANK), P.O. Box 485, 1080 Tunis Cedex, Tunisia [LIBYA]
NORTH AFRICAN INTERNATIONAL BANK (a.k.a. BANQUE ARABE D'AFRIQUE DU NORD [BAAN]; a.k.a. BANQUE ARABE DU NORD-BAAN, a.k.a. N.A.I.B.; a.k.a. NORTH AFRICA INTERNATIONAL BANK), Avenue Kheireddine Pacha 25, Tunis, Tunisia [LIBYA]
NORTH AFRICAN INTERNATIONAL BANK (a.k.a. BANQUE ARABE D'AFRIQUE DU NORD [BAAN]; a.k.a. BANQUE ARABE DU NORD-BAAN; a.k.a. N.A.I.B.; a.k.a. NORTH AFRICA INTERNATIONAL BANK), P.O. Box 102, Le Belvedere, 1002 Tunis, Tunisia [LIBYA]
NORTH AFRICAN INTERNATIONAL BANK (a.k.a. BANQUE ARABE D'AFRIQUE DU NORD [BAAN], a.k.a. BANQUE ARABE DU NORD-BAAN; a.k.a. N.A.I.B.; a.k.a. NORTH AFRICA INTERNATIONAL BANK), 25 Avenue Khereddine Pacha, Tunis, Tunisia [LIBYA]
NORTH GERMAN OIL PIPELINE (a.k.a. NDO; a.k.a. NORDDEUTSCHE OELLEITUNGSGESELLSCHAFT MBH), Wilhelmshaven to Hamburg pipeline, Germany [LIBYA]
NORTH GERMAN OIL PIPELINE (a.k.a. NDO; a.k.a. NORDDEUTSCHE OELLEITUNGSGESELLSCHAFT MBH), Moorburger Strasse 16, D2000 Hamburg-Harburg 90, Germany [LIBYA]
NORTH ISLAND SHIPPING CO., Limassol, Cyprus [CUBA]
NORTH ISLANDS (North Islands Shipping Co., Cyprus) (vessel) [CUBA]
NOVI SAD RAILROAD TRANSPORTATION ORGANIZATION (a.k.a. ZELEZNICKO TRANSPORTNO PREDUZECE NOVI SAD), Novi Sad, Vojvodina (Serbia) [FRY S&M]
NOVI SHIPPING COMPANY S.A., Panama City, Panama, c/o Beogradska Plovidba, Lenjinov Bulevar 165A, 11070 Novi Beograd, Serbia [FRY S&M]
NOVINSKA AGENCIJA TANJUG (a.k.a. TANJUG), Belgrade, Serbia [FRY S&M]
NOVKABEL, Novi Sad, Vojvodina (Serbia) [FRY S&M]
NOVOSADSKA BANKA d.d., all offices (Bank is headquartered in Novi Sad, Vojvodina [Serbia]) [FRY S&M]
NOVOSADSKA FABRIKA KABELA, Novi Sad, Vojvodina (Serbia) [FRY S&M]
NUWAIBI (N/A) Fish 140DWT Iraqi flag (Iraqi State Fisheries Co.) (vessel) [IRAQ]
OBOD (n.k.a. AIRE F) (9HTG3) General Dry Cargo 13,651GT Malta flag (Oktoih Overseas Shipping Ltd.) (vessel) [FRY S&M]
OBOD CETINJE - ELEKTROINDUSTRIJA, Cetinje, Montenegro [FRY S&M]
OCEANIC BULK SHIPPING S.A., Panama City, Panama, c/o Jugoslavenska Oceanska Plovidba BB, Njegoseva, P.O. Box 18, 85330 Kotor, Montenegro [FRY S&M]
OCTOBER HOLDING COMPANY (a.k.a. OCTUBRE HOLDING SOCIETE ANONIME) Vaduz, Liechtenstein [CUBA]
OCTUBRE HOLDING SOCIETE ANONIME (a.k.a. OCTOBER HOLDING COMPANY), Vaduz, Liechtenstein [CUBA]
OEA DRINKS CO., P.O. Box 101, Ibn El Jarrah Street, Tripoli, Libya [LIBYA]
OHOD 5 (N/A) Service DWT N/A Saudi Arabian flag (Iraqi State Company for Oil Projects) (vessel) [IRAQ]
OHOD 6 (N/A) Service DWT N/A Saudi Arabian flag (Iraqi State Company for Oil Projects) (vessel) [IRAQ]
OHOD 7 (N/A) Service DWT N/A Saudi Arabian flag (Iraqi State Company for Oil Projects) (vessel) [IRAQ]
OIIC (a.k.a. FOREIGN PETROLEUM INVESTMENT CORPORATION; a.k.a. LIBYAN OIL INVESTMENTS INTERNATIONAL COMPANY; a.k.a. OILINVEST; a.k.a. OILINVEST INTERNATIONAL N.V.), Tripoli, Libya [LIBYA]
OIIC (a.k.a. FOREIGN PETROLEUM INVESTMENT CORPORATION; a.k.a. LIBYAN OIL INVESTMENTS INTERNATIONAL COMPANY; a.k.a. OILINVEST; a.k.a. OILINVEST INTERNATIONAL N.V.), Netherlands Antilles [LIBYA]
OIL ENERGY FRANCE, France [LIBYA]
OIL ENERGY SPAIN (a.k.a. OILINVEST SPAIN; a.k.a. OILINVEST ESPANOLA), Spain [LIBYA]
OILINVEST (a.k.a. FOREIGN PETROLEUM INVESTMENT CORPORATION; a.k.a. LIBYAN OIL INVESTMENTS INTERNATIONAL COMPANY; a.k.a. OIIC; a.k.a. OILINVEST INTERNATIONAL N.V.), Netherlands Antilles [LIBYA]
OILINVEST (a.k.a. FOREIGN PETROLEUM INVESTMENT CORPORATION; a.k.a. LIBYAN OIL INVESTMENTS INTERNATIONAL COMPANY; a.k.a. OIIC; a.k.a. OILINVEST INTERNATIONAL N.V.), Tripoli, Libya [LIBYA]
OILINVEST (NETHERLANDS) B.V. (a.k.a. OILINVEST HOLLAND B.V.) Museumpln 11, 1071 DJ Amsterdam, Netherlands [LIBYA]
OILINVEST ESPANOLA (a.k.a. OILINVEST SPAIN; a.k.a. OIL ENERGY SPAIN), Spain [LIBYA]
OILINVEST HOLLAND B.V. (a.k.a. OILINVEST NETHERLANDS B.V.), Museumpln 11, 1071 DJ Amsterdam, Netherlands [LIBYA]
OILINVEST INTERNATIONAL N.V. (a.k.a. OILINVEST, a.k.a. FOREIGN PETROLEUM INVESTMENT CORPORATION, a.k.a. LIBYAN OIL INVESTMENTS INTERNATIONAL COMPANY, a.k.a. OIIC), Netherlands Antilles [LIBYA]
OILINVEST INTERNATIONAL N.V. (a.k.a. OILINVEST, a.k.a. FOREIGN PETROLEUM INVESTMENT CORPORATION, a.k.a. LIBYAN OIL INVESTMENTS INTERNATIONAL COMPANY, a.k.a. OIIC), Tripoli, Libya [LIBYA]
OILINVEST SPAIN (a.k.a. OIL ENERGY SPAIN; a.k.a. OILINVEST ESPANOLA), Spain [LIBYA]
OKBA FOOTWEAR PLANT, Tajoura, Libya [LIBYA]
OKTOIH OVERSEAS SHIPPING LTD., Valletta, Malta, c/o Rigel Shipmanagement Ltd., Second Floor, Regency House, Republic Street, Valletta, Malta [FRY S&M]
OMEGA GMBH (a.k.a. EXIMKOS; a.k.a. KOSOVO EXPORT IMPORT GMBH; a.k.a. KOSOVO GMBH), Maillingerstrasse 34, 8000 Munich 2, Germany [FRY S&M]
OMEISH, Ramadan M., Tripoli, Libya; Abu Dhabi, U.A.E. (individual) [LIBYA]
OMNIAUTO, Belgrade, Serbia [FRY S&M]
OMNIKOMERC, Belgrade, Serbia [FRY S&M]
OMRAN, Karim Dhaidas, Iraq (individual) [IRAQ]
OMRANI, Abuzeid Ramadan, Administrative Manager of Libyan Arab Foreign Investment Company, Libya (individual) [LIBYA]*
ONYX ISLANDS (Maryol Enterprises, Inc., Panama) (vessel) [CUBA]
OPTIKA - BEOGRAD, Belgrade, Serbia [FRY S&M]
ORE STAR (f.k.a. SMEDEREVO) (J8FN9) Ore/Oil Carrier 86,401GT Saint Vincent Flag (Glimmer Maritime S.A.) (vessel) [FRY S&M]
ORGANIZATION OF THE OPPRESSED ON EARTH (a.k.a. PARTY OF GOD, a.k.a. HIZBALLAH; a.k.a. ISLAMIC JIHAD; a.k.a. REVOLUTIONARY JUSTICE ORGANIZATION; a.k.a. ISLAMIC JIHAD FOR THE LIBERATION OF PALESTINE; a.k.a. ANSAR ALLAH; a.k.a. FOLLOWERS OF THE PROPHET MUHAMMAD), Lebanon [SDT]
ORIENT SHIPPING LIMITED, Lot 18, Bay Street, Kingstowne, St. Vincent and the Grenadines [IRAQ]
ORJEN (9HSO3) Bulk Carrier 38,551GT Malta Flag (Kotor Overseas Shipping Ltd.) (vessel) [FRY S&M]
OROOBA (YIOB) Tug 368DWT Iraqi flag (State Org of Iraqi Ports) (vessel) [IRAQ]
ORS, Jose Antonio Rego, Tokyo, Japan (individual) [CUBA]
ORTEGA, Dario (PINA) Edificio Saldivar, Panama City, Panama (individual) [CUBA]
ORTIZ, Guadalupe, Cubanatur, Baja California 255, Edificio B, Oficina 103, Condesa 06500, Mexico, D.F. (individual) [CUBA]

OS OILINVEST SERVICES A.G., Loewenstrasse 60, Zurich, Switzerland [LIBYA]
OSA CHARTERING, Belgrade, Serbia [FRY S&M]
OSA CHARTERING, Cyprus [FRY S&M]
OSBORNE TRADING COMPANY LTD., Berengaria Bldg., 25 Spyrou Araouzou Street, Limassol, Cyprus [FRY S&M]
OSNOVNA BANKA POLJOPRIVEDNA BANKA, Novi Sad, Vojvodina (Serbia) [FRY S&M]
OSNOVNA PRIVREDNO-INVESTICIONA BANKA (a.k.a. INVESTBANKA), all offices (Bank is headquartered in Belgrade, Serbia) [FRY S&M]
OSTOJIC, Branko; Deputy Prime Minister and Economics Minister of SRBH; Bosnia-Herzegovina (individual) [SRBH]
OSTOJIC, Velibor; Deputy in SRBH Assembly, DOB 1945; POB Foca-Celebici, Bosnia-Herzegovina; Banja Luka, Bosnia-Herzegovina (individual) [SRBH]
OTORI MARU No. 2 (N/A) Service DWT N/A (State Org. of Iraqi Ports) (vessel) [IRAQ]
PADRON, Amado (TRUJILLO), Panama (individual) [CUBA]
PAK-LIBYAN HOLDING COMPANY LTD., Karachi, Pakistan [LIBYA]
PALESTINE (YIFN) Service 4,649DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
PALESTINE LIBERATION FRONT (a.k.a. PALESTINE LIBERATION FRONT - ABU ABBAS FACTION; a.k.a. PLF-ABU ABBAS; a.k.a. PLF), Iraq [SDT]
PALESTINE LIBERATION FRONT - ABU ABBAS FACTION (a.k.a. PLF-ABU ABBAS, a.k.a. PLF, a.k.a. PALESTINE LIBERATION FRONT), Iraq [SDT]
PALESTINIAN ISLAMIC JIHAD - SHIQAQI (a.k.a. PIJ; a.k.a. ISLAMIC JIHAD OF PALESTINE, a.k.a. PIJ SHIQAQI/AWDA FACTION; a.k.a. PALESTINIAN ISLAMIC JIHAD), Israel, Jordan, Lebanon [SDT]
PALMA MOCHA (Naviera Maritima de Arosa, Spain) (vessel) [CUBA]
PALOMA WEST HANDELS GMBH, Frankfurt am Main, Germany [FRY S&M]
PAMIT C (Pamit C Shipping Co., Ltd., Cyprus) (vessel) [CUBA]
PAMIT C SHIPPING CO., LTD., Limassol, Cyprus [CUBA]
PAMUCNI KOMBINAT YUMKO, Vranje, Serbia [FRY S&M]
PANAMERICAN IMPORT AND EXPORT COMMERCIAL CORPORATION, Panama [CUBA]
PANCEVO HEMIJSKA INDUSTRIJA, Spoljnostarcevacka 80, 26000 Pancevo, Serbia [FRY S&M]
PANDORA SHIPPING CO. S.A., Honduras [IRAQ]
PANOAMERICANA, Panama [CUBA]
PANONSKA BANKA d.d., all offices (Bank is headquartered in Novi Sad, Vojvodina [Serbia]) [FRY S&M]
PAPADOPOULOS, Tassos, DOB 1933, 2 Sofoules Street, Chanteclair Bldg., 2nd Floor No. 205, Nicosia, Cyprus (individual) [FRY S&M]
PARADISSIOTIS, Christoforos Pavlou, 34 Grosvenor Street, London W1X 9FG, England (individual) [LIBYA]
PARADISSIOTIS, Christoforos Pavlou, Larnaca, Cyprus (individual) [LIBYA]
PARTY OF GOD (a.k.a. HIZBALLAH, a.k.a. ISLAMIC JIHAD, a.k.a. REVOLUTIONARY JUSTICE ORGANIZATION, a.k.a. ORGANIZATION OF THE OPPRESSED ON EARTH, a.k.a. ISLAMIC JIHAD FOR THE LIBERATION OF PALESTINE, a.k.a. ANSAR ALLAH, a.k.a. FOLLOWERS OF THE PROPHET MUHAMMAD), Lebanon [SDT]
PBS BOSANSKA GRADISKA DD, Bosanska Gradiska, Bosnia-Herzegovina [FRY S&M]
PCL PELCAM TRADE LTD. (a.k.a. UBB INVESTMENTS & FINANCE), 2 Sofoules Street, Chanteclair Bldg., 2nd Floor, No. 205, Nicosia, Cyprus [FRY S&M]
PEJIC, Momcilo, SRBH National Bank official, Bosnia-Herzegovina (individual) [SRBH]
PEJIC, Ranko, Minister of Finance of SRBH, DOB 12 Jun 35, POB Ilijas, Sarajevo, Bosnia-Herzegovina, Bosnia-Herzegovina (individual) [SRBH]
PENA, Jose (TORRES), Panama (individual) [CUBA]
PENA, Victor, Panama (individual) [CUBA]
PEONY ISLANDS (Peony Shipping Co., Ltd., Cyprus) (vessel) [CUBA]
PEONY SHIPPING CO., LTD., Limassol, Cyprus [CUBA]
PERAST (Unknown) RO/RO Cargo/Ferry 131GT Yugoslavia Flag (Komunalno Poduzece) (vessel) [FRY S&M]
PEREZ, Alfonso, Panama (individual) [CUBA]
PEREZ, Manuel Martin, Panama (individual) [CUBA]
PEREZ, Osvaldo (CRUZ), Panama (individual) [CUBA]
PERIC, Nikola, Deputy in SRBH Assembly, Bosnia-Herzegovina (individual) [SRBH]
PERIC, Vitomir, Secretary of Judicial Issues of SRBH, Bosnia-Herzegovina (individual) [SRBH]
PEROVIC, D., Kursovoi Per 1 KV 3, Moscow, Russia (address of INPEA) (individual) [FRY S&M]
PESCABRAVA, S.A., France [CUBA]
PESCABRAVA, S.A., Italy [CUBA]
PESCABRAVA, S.A., Spain [CUBA]
PESCADOS Y MARISCOS DE PANAMA, S.A. (a.k.a. PESMAR; a.k.a. PEZMAR, S.A.), Panama City, Panama [CUBA]
PESMAR (or PEZMAR), S.A. (a.k.a. PESCADOS Y MARISCOS DE PANAMA, S.A.), Panama City, Panama [CUBA]
PETRA NAVIGATION & INTERNATIONAL TRADING CO. LTD., (a.k.a. AL PETRA COMPANY FOR GOODS TRANSPORT LTD.), Hai Al Wahda Mahalat 906, 906 Zulak 50, House 14, Baghdad, Iraq [IRAQ]
PETROMED LTD., 18b Charles Street, London W1X 7HD, Great Britain [FRY S&M]
PFLP (a.k.a. POPULAR FRONT FOR THE LIBERATION OF PALESTINE), Lebanon, Syria, Israel [SDT]
PFLP-GC (a.k.a. POPULAR FRONT FOR THE LIBERATION OF PALESTINE - GENERAL COMMAND), Lebanon, Syria, Jordan [SDT]
PIECAS, Stanko, Day Building, Bucharest Avenue, Olh Alley No. 1/17, Apt 8, Teheran, Iran (address of EAST POINT HOLDINGS) (individual) [FRY S&M]
PIJ (a.k.a. PALESTINIAN ISLAMIC JIHAD - SHIQAQI, a.k.a. ISLAMIC JIHAD OF PALESTINE, a.k.a. PIJ SHIQAQI/AWDA FACTION; a.k.a. PALESTINIAN ISLAMIC JIHAD), Israel, Jordan, Lebanon [SDT]
PIJ SHIQAQI/AWDA FACTION (a.k.a. PIJ; a.k.a. PALESTINIAN ISLAMIC JIHAD - SHIQAQI; a.k.a. ISLAMIC JIHAD OF PALESTINE, a.k.a. PALESTINIAN ISLAMIC JIHAD), Israel, Jordan; Lebanon [SDT]
PIK BECEJ, Becej, Vojvodina (Serbia) [FRY S&M]
PIK POZAREVAC, Pozarevac, Serbia [FRY S&M]
PIK SIRMIUM, Sremska Mitrovica, Vojvodina (Serbia) [FRY S&M]
PIK SOMBOR, Sombor, Vojvodina (Serbia) [FRY S&M]
PIK TAKOVO, Gornji Milanovac, Serbia [FRY S&M]
PIK TAMIS, Pancevo, Vojvodina (Serbia) [FRY S&M]
PILOT 393 (N/A) Service DWT N/A Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
PILOT 394 (N/A) Service DWT N/A Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
PINO DEL AGUA (Naviera Maritima de Arosa, Spain) (vessel) [CUBA]
PIONEER (Tramp Pioneer Shipping Co., Ltd., Panama) (vessel) [CUBA]
PIONEER SHIPPING LTD., 171 Old Bakery Street, Valletta, Malta (c/o Anglo Caribbean Shipping Co. Ltd., 4th Floor, South Phase 2, South Quay Plaza 2, 183 Marsh Wall, London E14 9SH, England) [CUBA]
PIRAMIDE INTERNATIONAL, Panama [CUBA]
PIRANHA NAVIGATION CO., LTD., Limassol, Cyprus [CUBA]
PIVA (n.k.a. RIO B) (9HTH3) General Dry Cargo 9,324GT Malta Flag (Bar Overseas Shipping Ltd.) (vessel) [FRY S&M]
PKB (a.k.a. POLJOPRIVREDNI KOMBINAT BEOGRAD), Padinska Skela, Serbia [FRY S&M]
PKB BANKA (a.k.a. MESOVITA BANKA d.d.; a.k.a. POLJOPRIVREDNI KREDITNA BEOGRAD BANKA), all offices (Bank is headquartered in Belgrade, Serbia) [FRY S&M]
PKB COMMERCE, Belgrade, Serbia [FRY S&M]
PKB HERCEG NOVI, Herceg Novi, Montenegro [FRY S&M]
PLAVSIC, Biljana; a Vice-President of SRBH; DOB 7 Jul 30; POB Banja Luka, Bosnia-Herzegovina; Bosnia-Herzegovina (individual) [SRBH]
PLAYA (f.k.a. CETINJE) (9HSY3) Bulk Carrier 9,028GT Malta Flag (Lovcen Overseas Shipping Ltd.) (vessel) [FRY S&M]
PLF (a.k.a. PLF-ABU ABBAS; a.k.a. PALESTINE LIBERATION FRONT - ABU ABBAS FACTION; a.k.a. PALESTINE LIBERATION FRONT), Iraq [SDT]
PLF-ABU ABBAS (a.k.a. PALESTINE LIBERATION FRONT - ABU ABBAS FACTION; a.k.a. PLF; a.k.a. PALESTINE LIBERATION FRONT), Iraq [SDT]
PLJEVANSKA BANKA, all offices (Bank is headquartered in Podgorica, Montenegro) [FRY S&M]
POCHO NAVIGATION CO., LTD., Limassol, Cyprus [CUBA]
POLICE 1 (N/A) Patrol DWT N/A Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
POLICE 2 (N/A) Patrol DWT N/A Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
POLICE 3 (N/A) Patrol DWT N/A Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
POLIMKA, Ivangrad, Montenegro [FRY S&M]
POLJOPRIVREDNA BANKA OSNOVNA BANKA, all offices worldwide [FRY S&M]
POLJOPRIVREDNI KOMBINAT BEOGRAD (a.k.a. PKB), Padinska Skela, Serbia [FRY S&M]
POLJOPRIVREDNI KREDITNA BEOGRAD BANKA (a.k.a. MESOVITA BANKA d.d.; a.k.a. PKB BANKA), all offices (Bank is headquartered in Belgrade, Serbia) [FRY S&M]
POMORAC (n.k.a. LUCIANO HOPE) (3EIE4) Bulk Carrier 20,904GT Liberia (Panama) Flag (Citimark Shipping Limited) ((Oceanic Bulk Shipping S.A.)) (vessel) [FRY S&M]
PONCE DE LEON, Lazaro (GOMEZ), Medira, Mexico (individual) [CUBA]
PONS, Alberto, Executive Representative, Banco Nacional de Cuba, Federico Boyd Avenue & 51 Street, Panama City, Panama (individual) [CUBA] - licensed pending removal by FAC
POPOVIC, Vitomir, Deputy in SRBH Assembly; Banja Luka, Bosnia-Herzegovina (individual) [SRBH]
POPULAR FRONT FOR THE LIBERATION OF PALESTINE (a.k.a. PFLP), Lebanon; Syria; Israel [SDT]
POPULAR FRONT FOR THE LIBERATION OF PALESTINE - GENERAL COMMAND (a.k.a. PFLP-GC), Lebanon; Syria; Jordan [SDT]
PRADO, Julio (a.k.a. Julio LOBATO), Panama (individual) [CUBA]
PREDUZECE ZA GAZDOVANJE SUMAMA - SRBIJASUME (a.k.a. PUBLIC FORESTRY ENTERPRISE - SRBIJASUME), Serbia [FRY S&M]
PREDUZETNICKA BANKA d.d., all offices (Bank is headquartered in Belgrade, Serbia) [FRY S&M]
PREKOOKEANSKA PLOVIDBA, P.O. Box 87, Marsala Tita 46, 85000 Bar, Montenegro [FRY S&M]
PRELASA, Mexico [CUBA]
PRELIC, M., Vul. Prorizna 13, POM. 08, Kiev, Ukraine (address of EAST POINT HOLDINGS) (individual) [FRY S&M]
PRENSA LATINA CANADA LTD., 1010 O Rue Ste Catherine, Montreal PQ H303 IGI, Canada [CUBA]
PRENSA LATINA, Spain [CUBA]
PRESA, S.A., Panama [CUBA]
PRIMA EXPORT/IMPORT, Jamaica [CUBA]
PRIMROSE ISLANDS (Piranha Navigation Co., Ltd., Cyprus) (vessel) [CUBA]
PRISTINSKA BANKA d.d., all offices (Bank is headquartered in Pristina, Kosovo [Serbia]) [FRY S&M]
PRIVATNA PRIVREDNA BANKA, all offices (Bank is headquartered in Montenegro) [FRY S&M]
PRIVREDNA BANKA BEOGRAD d.d., all offices (Bank is headquartered in Belgrade, Serbia) [FRY S&M]
PRIVREDNA BANKA NOVI SAD d.d., all offices (Bank is headquartered in Novi Sad, Vojvodina [Serbia]) [FRY S&M]
PRIVREDNA BANKA SARAJEVO DD (Bijeljina), Bijeljina, Bosnia-Herzegovina [FRY S&M]

PRIVREDNA BANKA SARAJEVO DD (Brcko), Brcko, Bosnia-Herzegovina [FRY S&M]
PRIVREDNA BANKA SARAJEVO DD (Doboj), Doboj, Bosnia-Herzegovina [FRY S&M]
PRIVREDNA BANKA SARAJEVO DD (Foca), Foca, Bosnia-Herzegovina [FRY S&M]
PRIVREDNA BANKA SARAJEVO DD (Prijedor), Prijedor, Bosnia-Herzegovina [FRY S&M]
PRIVREDNA BANKA SARAJEVO DD (Titov Drvar), Titov Drvar, Bosnia-Herzegovina [FRY S&M]
PRIVREDNA BANKA SARAJEVO DD (Trebinje), Trebinje, Bosnia-Herzegovina [FRY S&M]
PRIVREDNA BANKA SARAJEVO DD (Zvornik), Zvornik, Bosnia- Herzegovina [FRY S&M]
PRIVREDNA KOMORA CRNE GORE (a.k.a. CHAMBER OF ECONOMY OF MONTENEGRO), Podgorica, Montenegro [FRY S&M]
PRIVREDNA KOMORA JUGOSLAVIJE (a.k.a. CHAMBER OF ECONOMY OF YUGOSLAVIA), Belgrade, Serbia [FRY S&M]
PRIVREDNA KOMORA SRBIJE (a.k.a. CHAMBER OF ECONOMY OF SERBIA), Belgrade, Serbia [FRY S&M]
PROARTE (a.k.a. PROMOCIONES ARTISTICAS), Mexico [CUBA]
PROGRES BAGHDAD BRANCH OFFICE, Section 929 Street, 12 House 35/9/35, Baghdad, Iraq [FRY S&M]
PROGRES, Belgrade, Serbia [FRY S&M]
PROGRES BUCUREST (a.k.a. PROGRES BUCHAREST), B-Dul Balcesku No 32-34/1, Bucharest, Romania [FRY S&M]
PROGRES INTERAGRAR, Belgrade, Serbia [FRY S&M]
PROGRES PRIZREN (a.k.a. METAL AND PLASTIC COMPONENTS PRODUCTION), Prizren, Kosovo (Serbia) [FRY S&M]
PROGRES TRADE REPRESENTATION IN IRAN, Ayattolah Teleghani Ave No. 202/V, Teheran, Iran [FRY S&M]
PROGRESS BEOGRAD (a.k.a. PROGRESS BEOGRAD PREDSTAVITELYSTVO), St. Gorkog 56 kv 112, 12 50 47 Moscow, Russia [FRY S&M]
PROGRESS BUDAPEST, Kepviselet 6, Ferenczi Istvan 12/I, 1053 Budapest, Hungary [FRY S&M]
PROGRESS REPRESENTATION OFFICE, Sipka No. 7, Sofia 7, Bulgaria [FRY S&M]
PROGRESS REPRESENTATIVE OFFICE, Szpitalna 6, Przedstawicielstvo w Warszawie, Warsaw, Poland [FRY S&M]
PROITAL S.R.L., Filiale Di Trieste, 34122 Trieste, Italy [FRY S&M]
PROITAL S.R.L., Via napo Torriani 3L/I, Milan, Italy [FRY S&M]
PROMET, Niksic, Montenegro [FRY S&M]
PROMIMPRO EXPORTS AND IMPORTS LTD., 70 Archbishop Makarios III Avenue, Afemia Bldg., 3rd Floor, Nicosia, Cyprus [FRY S&M]
PROMOCIONES ARTISTICAS (a.k.a. PROARTE), Avenida Insurgentes Sur No. 421, Bloque B Despacho 404, C.P. 06100, Mexico, D.F. [CUBA]
PROMOTORA ANDINA, S.A., Quito, Ecuador [CUBA]
PRVA PETROLETKA, Trstenik, Serbia [FRY S&M]
PRVA SRPSKA KOMERCIALJNA BANKA, all offices (Bank is headquartered in Nis, Serbia) [FRY S&M]
PRVI FEBRUAR (9HTZ3) Bulk Carrier 17,233GT Malta Flag (South Adriatic Bulk Shipping Ltd.) (vessel) [FRY S&M]
PRVI MAJ, 18300 Pirot, Serbia [FRY S&M]
PRVOBORAC, Niksic, Montenegro [FRY S&M]
PRZEDSTAWICIELSTWO JUGOSLOWIANSKIEJ HANDLU ZAGRANICZNEGO HEMPRO Szpitalna 6 m 16, Warsaw, Poland [FRY S&M]
PTT CRNE GORE (a.k.a. MONTENEGRO POST, TELEGRAPH AND TELEPHONE), Montenegro [FRY S&M]
PTT JUGOSLAVIJE (a.k.a. YUGOSLAV POST, TELEGRAPH AND TELEPHONE) (including all Serbian and Montenegrin affiliates), Belgrade, Serbia [FRY S&M]
PTT SRBIJA (a.k.a. SERBIA POST, TELEGRAPH AND TELEPHONE), Belgrade, Serbia [FRY S&M]
PUBLIC COMPANY FOR GARMENTS, P.O. Box 4152, Benghazi, Libya [LIBYA]
PUBLIC ELECTRICAL WORKS CO., P.O. Box 8539, Shara Halab, Tripoli, Libya; (branch) P.O. Box 32811, Benghazi, Libya [LIBYA]
PUBLIC ENTERPRISE OF POST, TELEGRAPH, AND TELEPHONE OF SERBIA (a.k.a. JAVNO PREDUZECE PTT SRBIJE), Serbia [FRY S&M]
PUBLIC FORESTRY ENTERPRISE - SRBIJASUME (a.k.a. PREDUZECE ZA GAZDOVANJE SUMAMA - SRBIJASUME), Serbia [FRY S&M]
PUBLIC SAFETY COMMODITY IMPORTING CO., (a.k.a. SILAMNIA), P.O. Box 12942, Tripoli, Libya [LIBYA]
PUTIC, Milenko; Deputy in SRBH Assembly; Bosnia-Herzegovina (individual) [SRBH]
PUTNIK, Belgrade, Serbia [FRY S&M]
QAFALA GENERAL AUTOMOBILE CO., Libya [LIBYA]
QASEM, Talat Fouad; Propaganda Leader of ISLAMIC GAMA'AT; DOB 02 Jun 1957 or 03 Jun 1957; POB Al Mina, Egypt (individual) [SDT]
QUALITY SHOES COMPANY, UB33, Industrial Estate, San Gwann, Malta [LIBYA]
QUIMINTER GMBH, Vienna, Austria [CUBA]
RAD GRADJEVINSKO PREDUZECE, Belgrade, Serbia [FRY S&M]
RADHWA 18 (N/A) Tug DWT N/A Iraqi flag (Iraqi State Company for Oil Projects) (vessel) [IRAQ]
RADHWA 19 (N/A) Tug DWT N/A Iraqi flag (Iraqi State Company for Oil Projects) (vessel) [IRAQ]
RADHWA 20 (N/A) Tug DWT N/A Saudi Arabian flag (Iraqi State Company for Oil Projects) (vessel) [IRAQ]
RADIO SERVICE, S.A., Panama [CUBA]
RADIO TELEVIZIJA BEOGRAD (a.k.a. RTB), Belgrade, Serbia [FRY S&M]
RADIO TELEVIZIJA CRNE GORE (a.k.a. RTV CRNE GORE) (including all affiliates), Podgorica, Montenegro [FRY S&M]
RADIO TELEVIZIJA NOVI SAD (a.k.a. RTV NOVI SAD), Novi Sad, Vojvodina (Serbia) [FRY S&M]
RADIO TELEVIZIJA PRISTINA (a.k.a. RTV PRISTINA), Pristina, Kosovo (Serbia) [FRY S&M]
RADIO TELEVIZIJA SRBIJE (a.k.a. RTV SRBIJE)(including all affiliates), Belgrade, Serbia [FRY S&M]
RADNIK (n.k.a. SOPHIE HOPE) (3ELK3) Bulk Carrier 17,882GT Libena (Panama) Flag (Pocatelo Shipping Ltd.) ((Oceanic Bulk Shipping S.A.)) (vessel) [FRY S&M]
RADOJE DAKIC (a.k.a. ENTERPRISE FOR CONSTRUCTION MACHINERY - RADOJE DAKIC), Podgorica, Montenegro [FRY S&M]
RAFFINERIE DU SUD-OUEST (a.k.a. RSO, a.k.a. COLLOMBEY REFINERY), Collombey, Valais, Switzerland [LIBYA]
RAFIDAIN BANK, 114 Tahreer Str. Eldukki, P.O. Box 239, Omran Giza, Cairo, Egypt [IRAQ]
RAFIDAIN BANK, 2nd Floor Sadat Tower, P.O. Box 1891, Beirut, Lebanon (2 branches in Lebanon) [IRAQ]
RAFIDAIN BANK, Mafraq, Jordan [IRAQ]
RAFIDAIN BANK, New Banks' Street, P.O. Box 11360, Massarif, Baghdad, Iraq (227 branches in Iraq) [IRAQ]
RAFIDAIN BANK, P.O. Box 10023, Sanaa, Yemen Arab Republic [IRAQ]
RAFIDAIN BANK, P.O. Box 1194, Cinema al-Hussein Street, Amman, Jordan [IRAQ]
RAFIDAIN BANK, P.O. Box 607, Manama, Bahrain (2 branches in Bahrain) [IRAQ]
RAFIDAIN BANK, P.O. Box 685, Aqaba, Jordan [IRAQ]
RAFIDAIN BANK, P.O. Box 815401, Jabal Amman, Jordan [IRAQ]
RAFIDAIN BANK, Rafidain Bank Building, 7-10 Leadenhall Street, London EC3V 1NL, England [IRAQ]
RAFIDAIN BANK, Sheikh Khalifa Street, P.O. Box 2727, Abu Dhabi, United Arab Emirates [IRAQ]
RAFINERIJA, Novi Sad, Vojvodina (Serbia) [FRY S&M]
RAFIQ, Assem (a.k.a. ABDULMALIK, Abdul Hameed, a.k.a. MALIK, Assim Mohammed Rafiq Abdul), 14 Almotaz Sad Al Deen Street, Al Nozha, Cairo, Egypt (individual) [IRAQ]
RAHIM 3 (Pioneer Shipping Ltd., Malta) (vessel) [CUBA]
RAJBROOK LIMITED, England [IRAQ]
RAKIC, Zivko; Minister of the Interior of SRBH; Bosnia-Herzegovina (individual) [SRBH]
RAMA (f.k.a. KUPRES) (9HUP3) General Dry Cargo 13,688 GT Cyprus (Malta) Flag (White Star Shipping Co. Ltd.) ((South Adriatic Bulk Shipping Ltd.)) (vessel) [FRY S&M]
RAMADAN, Taha Yasin (a.k.a. RAMADAN Taha Yassin), Vice President and Deputy Prime Minister, DOB 1936; Iraq (individual) [IRAQ]*
RAMADAN, Taha Yassin (a.k.a. RAMADAN Taha Yasin), Vice President and Deputy Prime Minister; DOB 1936; Iraq (individual) [IRAQ]*
RANK XEROX YU, Belgrade, Serbia [FRY S&M]
RAOUF, Khalid Mohammed, Praca Pio X, 54-10o Andar, CEP 20091, Rio de Janeiro, Brazil (individual) [IRAQ]
RAPID, Belgrade, Serbia [FRY S&M]
RAPID CO, Studentski trg 4, 11000 Belgrade, Serbia [FRY S&M]
RAS HILAL MARITIME CO., P.O. Box 1496, Benghazi, Libya [LIBYA]
RAS LANUF OIL AND GAS PROCESSING COMPANY, LTD. (a.k.a. RASCO), Benghazi Complex, P.O. Box 1971, Gamel Abdul Nasser Street, Benghazi, Libya [LIBYA]
RAS LANUF OIL AND GAS PROCESSING COMPANY, LTD. (a.k.a. RASCO), P.O. Box 75071, Tripoli, Libya [LIBYA]
RAS LANUF OIL AND GAS PROCESSING COMPANY, LTD. (a.k.a. RASCO), Ras Lanuf Complex and Terminal, Ghout El Shaal, Libya [LIBYA]
RASCO (a.k.a. RAS LANUF OIL AND GAS PROCESSING COMPANY, LTD.), P.O. Box 75071, Tripoli, Libya [LIBYA]
RASCO (a.k.a. RAS LANUF OIL AND GAS PROCESSING COMPANY, LTD.), Benghazi Complex, P.O. Box 1971, Gamel Abdul Nasser Street, Benghazi, Libya [LIBYA]
RASCO (a.k.a. RAS LANUF OIL AND GAS PROCESSING COMPANY, LTD.), Ras Lanuf Complex and Terminal, Ghout El Shaal, Libya [LIBYA]
RASHEED BANK (a.k.a. AL-RASHID BANK; a.k.a. AL-RASHEED BANK), P.O. Box 7177, Haifa Street, Baghdad, Iraq (including, but not limited to, branches located in: Al-Rusafi Branch, No. 505, Al-Masarif Street, Baghdad, Iraq; Credit Commercial Branch, No. 506, Khalid bin Alwaleed Street, Baghdad, Iraq; Basrah Branch, Al Thawrah Street, No. 88, P.O. Box 116, Basrah, Iraq; Mosul Branch, No. 3, P.O. Box 183, Mosul, Iraq) [IRAQ]
RASUO, Nedeljko; Deputy in SRBH Assembly; Sanski Most, Bosnia-Herzegovina (individual) [SRBH]
RATAR, Podgorica, Montenegro [FRY S&M]
RATKO MITROVIC - BEOGRAD, Belgrade, Serbia [FRY S&M]
RAVENS (Antamalio Shipping Co., Ltd., Malta) (vessel) [CUBA]
READY-MADE SUITS PLANT, Derna, Libya [LIBYA]
REAL ESTATE BANK, Hassan Bin Thabit St, Baghdad, Iraq [IRAQ]
RECICLAJE INDUSTRIAL, S.A., Panama [CUBA]
REDESTOS SHIPPING CO., LTD., Limassol, Cyprus [CUBA]
REKORD, Belgrade, Serbia [FRY S&M]
RENT-A-CAR, S.A., Panama [CUBA]
RENOVICA, Milanko; Special Advisor to President of SRBH; Bosnia-Herzegovina (individual) [SRBH]
REVOLUTIONARY JUSTICE ORGANIZATION (a.k.a. PARTY OF GOD; a.k.a. HIZBALLAH; a.k.a. ISLAMIC JIHAD; a.k.a. ORGANIZATION OF THE OPPRESSED ON EARTH; a.k.a. ISLAMIC JIHAD FOR THE LIBERATION OF PALESTINE, a.k.a. ANSAR ALLAH; a.k.a. FOLLOWERS OF THE PROPHET MUHAMMAD), Lebanon [SDT]
REVOLUTIONARY ORGANIZATION OF SOCIALIST MUSLIMS (a.k.a. ANO; a.k.a. ABU NIDAL ORGANIZATION, a.k.a. BLACK SEPTEMBER, a.k.a. FATAH REVOLUTIONARY COUNCIL, a.k.a. ARAB REVOLUTIONARY COUNCIL; a.k.a. ARAB REVOLUTIONARY BRIGADES), Libya, Lebanon, Algeria, Sudan; Iraq [SDT]
REYES, Guillermo (VERGARA), Panama City, Panama (individual) [CUBA]
REYNOLDS AND WILSON, LTD., 21 Victoria Road, Surbiton, Surrey KT6 4LK, England [IRAQ]

RICKS, Roy, 87 St. Mary's Frice, Benfleet, Essex, England (individual) [IRAQ]
RIDA, Karim Hassan (a.k.a. AL-RIDA Karim Hasan), Minister of Agriculture; DOB 1944; Iraq (individual) [IRAQ]*
RIECKE, Dr. Hans Guenter, Hamburg, Germany (individual) [LIBYA]
RIGEL SHIPMANAGEMENT LTD., Second Floor, Regency House, Republic Street, Valletta, Malta [FRY S&M]
RIO B (f.k.a. PIVA) (9HTH3) General Dry Cargo 9,324GT Malta Flag (Bar Overseas Shipping Ltd.) (vessel) [FRY S&M]
RIO G (f.k.a. TARA) (9HTK3) General Dry Cargo 9,201GT Malta Flag (Bar Overseas Shipping Ltd.) (vessel) [FRY S&M]
RISAN (9HUD3) General Dry Cargo 9,698GT Malta Flag (Zeta Ocean Shipping Ltd.) (vessel) [FRY S&M]
RIVAMED SHIPPING LTD., 2 Sofoules Street, Chanteclair Bldg., 2nd Floor, No. 205, Nicosia, Cyprus [FRY S&M]
ROBIAN (N/A) Fish 129DWT Iraqi flag (Iraqi State Fisheries Company) (vessel) [IRAQ]
ROBNE KUCE BEOGRAD, Belgrade, Serbia [FRY S&M]
ROCHA, Antonio, Panama City, Panama (individual) [CUBA]
RODRIQUEZ, Jesus (BORGES or BORJES), Panama (individual) [CUBA]
RODRIQUEZ, Jose Julio, Chairman, Havana International Bank, 20 Ironmonger Lane, London EC2V 8EY, England (individual) [CUBA]
ROMEO, Charles (a.k.a. Charles Henri Robert ROMEO), Panama (individual) [CUBA]
ROPERT, Mina Contreras (a.k.a. CONTRERAS, Mina), Paris, France (individual) [CUBA]
ROQUE, Roberto (PEREZ), Panama (individual) [CUBA]
ROSE ISLANDS (Shipley Shipping Corp., Panama) (vessel) [CUBA]
ROSIC, Jovo, Minister of Justice SRBH; Bosnia-Herzegovina (individual) [SRBH]
ROZAJE, Polimlje, Serbia [FRY S&M]
RSO (a.k.a. RAFFINERIE DU SUD-OUEST; a.k.a. COLLOMBEY REFINERY), Collombey, Valais, Switzerland [LIBYA]
RTB (a.k.a. RADIO TELEVIZIJA BEOGRAD), Belgrade, Serbia [FRY S&M]
RTB BOR, Bor, Serbia [FRY S&M]
RTV CRNE GORE (a.k.a. RADIO TELEVIZIJA CRNE GORE) (including all affiliates), Podgorica, Montenegro [FRY S&M]
RTV NOVI SAD (a.k.a. RADIO TELEVIZIJA NOVI SAD), Novi Sad, Vojvodina (Serbia) [FRY S&M]
RTV PRISTINA (a.k.a. RADIO TELEVIZIJA PRISTINA), Pristina, Kosovo (Serbia) [FRY S&M]
RTV SRBIJE (a.k.a. RADIO TELEVIZIJA SRBIJE)(including all affiliates), Belgrade, Serbia [FRY S&M]
RUBY ISLANDS (Golden Comet Navigation Co., Ltd., Panama) [CUBA]
RUDEX INTERNATIONAL LTD, 37-38 Margaret St, London W1N 8PS, England [FRY S&M]
RUDI CAJAVEC, Banja Luka, Bosnia-Herzegovina [FRY S&M]
RUDIMEX GMBH, Landstrasse Hauptstrasse 1/3-25, 1030 Vienna, Austria [FRY S&M]
RUDNAP DD (a.k.a. RUDNAP EXPORT-IMPORT), 10 ul. Vuka Karadzica, 11001 Belgrade, Serbia [FRY S&M], all offices worldwide, including, but not limited to:

- RUDNAP DD (a.k.a. RUDNAP EXPORT-IMPORT), Algiers branch office, 12 Rue Tirman, Algiers, Algeria [FRY S&M]
- RUDNAP DD (a.k.a. RUDNAP EXPORT-IMPORT), Beijing representative office, Beijing, China [FRY S&M]
- RUDNAP DD (a.k.a. RUDNAP EXPORT-IMPORT), Berlin branch office, Berlin, Germany [FRY S&M]
- RUDNAP DD (a.k.a. RUDNAP EXPORT-IMPORT), Jakarta representative office, Jakarta, Indonesia [FRY S&M]
- RUDNAP DD (a.k.a. RUDNAP EXPORT-IMPORT), Katowice representative office, Katowice, Poland [FRY S&M]
- RUDNAP DD (a.k.a. RUDNAP EXPORT-IMPORT), Moscow representative office, Moscow, Russia [FRY S&M]
- RUDNAP DD (a.k.a. RUDNAP EXPORT-IMPORT), Prague branch office, U Obecniho Dvora 2, Prague 1, Czech Republic [FRY S&M]
- RUDNAP DD (a.k.a. RUDNAP EXPORT-IMPORT), Rio de Janiero branch office, Rio de Janiero, Brazil [FRY S&M]
- RUDNAP DD (a.k.a. RUDNAP EXPORT-IMPORT), Tehran representative office, Tehran, Iran [FRY S&M]

RUDNAP EXPORT-IMPORT (a.k.a. RUDNAP DD), 10 ul. Vuka Karadzica, Yu-11001 Belgrade, Serbia [FRY S&M], all offices worldwide, including, but not limited to:

- RUDNAP EXPORT-IMPORT (a.k.a. RUDNAP DD), Algiers branch office, 12 Rue Tirman, Algiers, Algeria [FRY S&M]
- RUDNAP EXPORT-IMPORT (a.k.a. RUDNAP DD), Beijing representative office, Beijing, China [FRY S&M]
- RUDNAP EXPORT-IMPORT (a.k.a. RUDNAP DD), Berlin branch office, Berlin, Germany [FRY S&M]
- RUDNAP EXPORT-IMPORT (a.k.a. RUDNAP DD), Jakarta representative office, Jakarta, Indonesia [FRY S&M]
- RUDNAP EXPORT-IMPORT (a.k.a. RUDNAP DD), Katowice representative office, Katowice, Poland [FRY S&M]
- RUDNAP EXPORT-IMPORT (a.k.a. RUDNAP DD), Moscow representative office, Moscow, Russia [FRY S&M]
- RUDNAP EXPORT-IMPORT (a.k.a. RUDNAP DD), Prague branch office, U Obecniho Dvora 2, Prague 1, Czech Republic [FRY S&M]
- RUDNAP EXPORT-IMPORT (a.k.a. RUDNAP DD), Rio de Janiero branch office, Rio de Janiero, Brazil [FRY S&M]
- RUDNAP EXPORT-IMPORT (a.k.a. RUDNAP DD), Tehran representative office, Tehran, Iran [FRY S&M]

RUDNICI BAKRA I NEMETALA, Bor, Serbia [FRY S&M]
RUDNICI BOKSITA, Niksic, Montenegro [FRY S&M]
RUDNIK BAKRA, Majdanpek, Serbia [FRY S&M]
RUDNIK - GORNJI MILANOVAC, Gornji Milanovac, Serbia [FRY S&M]
RUDNIK UGLJA, Pljevlja, Montenegro [FRY S&M]
RUIZ, Ramon Miguel (POO), Panama (individual) [CUBA]
RUL - LESKOVAC, Leskovac, Serbia [FRY S&M]
RUMAILA (HNRM) Tanker 36,330DWT Iraqi flag (Iraqi Oil Tankers Company) (vessel) [IRAQ]
RUMIJA (9HTI3) General Dry Cargo 8,954GT Malta Flag (Lovcen Overseas Shipping Ltd.) (vessel) [FRY S&M]
RUMIJATRANS, Bar, Montenegro [FRY S&M]
RWR INTERNATIONAL INTERNATIONAL LTD (n.k.a. A T E INTERNATIONAL LTD.), 3 Mandeville Place, London, England [IRAQ]
RZOOKI, Hanna, Chairman of REAL ESTATE BANK, Iraq (individual) [IRAQ]*
S A V MUENCHEN (a.k.a. SAV SYSTEM AGROVOJVODINA VERTRIEBS GMBH; a.k.a. SEVER-AGROVOJVODINA GMBH), Germany [FRY S&M], all offices, including, but not limited to:

- S A V MUENCHEN (a.k.a. SAV SYSTEM AGROVOJVODINA VERTRIEBS GMBH; a.k.a. SEVER-AGROVOJVODINA GMBH), Wagenlager Borsigstrasse 5-7, 5090 Leverkusen, Germany [FRY S&M]
- S A V MUENCHEN (a.k.a. SAV SYSTEM AGROVOJVODINA VERTRIEBS GMBH; a.k.a. SEVER-AGROVOJVODINA GMBH), Augustin Strasse 33, 8000 Munich, Germany [FRY S&M]

S M I SEWING MACHINES ITALY S.P.A., Italy [IRAQ]
SABTINA LIMITED, 530-532 Elder House, Elder Gate, Central Milton Keynes MK9 1LR, England [LIBYA]
SAHABI OIL FIELD PROJECT, P.O. Box 982, Tripoli, Libya [LIBYA]
SAHARA BANK, (22 branches in Libya) [LIBYA]
SAHARA BANK, 10 First September Street, P.O. Box 270, Tripoli, Libya [LIBYA]
SAIF SAAD (N/A) Service 742DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
SALEH, Mohammed Mahdi (a.k.a. AL-SALIH Muhammad Mahdi), Minister of Trade; DOB 1947; Iraq (individual) [IRAQ]*
SALEH Abdel Moneim Ahmad (a.k.a. SALIH, Abd al-Munim Ahmad), Minister of Awqaf and Religious Affairs; DOB 1943; Iraq (individual) [IRAQ]*
SALGUIDIA (a.k.a. SOCIETE ARABE LIBYO-GUINEENNE POUR LE DEVELOPPEMENT AGRICOLE ET AGRO-INDUSTRIEL), Conakry, Guinea [LIBYA]
SALIH, Abd al-Munim Ahmad (a.k.a. SALEH Abdel Moneim Ahmad), Minister of Awqaf and Religious Affairs; DOB 1943; Iraq (individual) [IRAQ]*
SALIMAUREM (a.k.a. SOCIETE ARABE LIBYENNE MAURITANIENNE DES RESSOURCES MARITIMES), Nouadhibou, Mauritania [LIBYA]
SAMARRA (YIBC) Ferry DWT N/A Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
SAMARRAI, Ahmad Husayn Khudayir (a.k.a. AL-KHODAIR Ahmad Hussein), Minister of Finance; DOB 1941; Iraq (individual) [IRAQ]*
SANABUL (n.k.a. ALABID) (HNDB) Barge 1,662DWT Iraqi flag (Iraqi State Enterprise for Water Transport) (vessel) [IRAQ]
SANAM (YISM) Service 508DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
SANITAS, Cetinje, Montenegro [FRY S&M]
SANTAMARINA DE LA TORRE, Rafael Garcia (a.k.a. Alfredo Rafael GARCIA SANTAMARINA DE LA TORRE) Panama (individual) [CUBA]
SANTO, Anabel, Avenida Insurgentes Sur No. 421, Bloque B Despacho 404, C.P. 06100, Mexico, D.F. (individual) [CUBA]
SARENAC, Slobodan, Inex-Interexport Ltd., 27 Marta 69, Belgrade, Serbia (individual) [FRY S&M]
SAUDI, Abdullah Ammar, Manama, Bahrain (individual) [LIBYA]
SAV SYSTEM AGROVOJVODINA VERTRIEBS GMBH (a.k.a. S.A.V. MUENCHEN; a.k.a. SEVER-AGROVOJVODINA GMBH), Germany [FRY S&M], all offices, including, but not limited to:

- SAV SYSTEM AGROVOJVODINA VERTRIEBS GMBH (a.k.a. S.A.V. MUENCHEN; a.k.a. SEVER-AGROVOJVODINA GMBH), Wagenlager Borsigstrasse 5-7, 5090 Leverkusen, Germany [FRY S&M]
- SAV SYSTEM AGROVOJVODINA VERTRIEBS GMBH (a.k.a. S.A.V. MUENCHEN; a.k.a. SEVER-AGROVOJVODINA GMBH), Augustin Strasse 33, D-8000 Munich, Germany [FRY S&M]

SAVA, Serbia [FRY S&M]
SAVIC, Milorad; Lt. Colonel and Commander, Second Krajina Brigade, First Krajina Corps, SRBH Forces; Bosnia-Herzegovina (individual) [SRBH]
SAVIC, Milos; Secretary of SRBH Assembly; Bosnia-Herzegovina (individual) [SRBH]
SAVING AND REAL ESTATE INVESTMENT BANK, P.O. Box 2297, Shoman Street, Fashloum, Tripoli, Libya, (24 branches in Libya) [LIBYA]
SBOOR (HRN2) Fish 129DWT Iraqi flag (Iraqi State Fisheries Company) (vessel) [IRAQ]
SBS, Belgrade, Serbia [FRY S&M]
SCHMITT, Rogerio Eduardo, Praca Pio X, 54-10o Andar, CEP 20091, Rio De Janeiro, Brazil (individual) [IRAQ]
SDK (a.k.a. SLUZBA DRUSTVENOG KNJIGOVODSTVA; a.k.a. SOCIAL ACCOUNTING SERVICE), Belgrade, Serbia [FRY S&M]
SEABANK (f.k.a. Iraqi-owned AL-BAHAR AL-ARABI) (HQHR4) Fish/Cargo 6,953DWT Honduras flag (Trading & Maritime Investments, Honduras. Managed by Arab Trans Trade Co. S.A.E., Alexandria, Egypt) (vessel) [IRAQ]
SEABANK (n.k.a. ALBAHR ALARABI; n.k.a. BAROON, MV; f.k.a. BAHAR AL ARABI) (V3ML6) Fish/Cargo 6,953DWT Belizean flag (disputed ownership: Baroon Shipping Co. Ltd., Haven Port, Gibraltar, T.L. Dallas & Co., Ltd., Bradford, England, Iraqi State Enterprise for Water Transport, Baghdad, Iraq) (vessel) [IRAQ]
SEAMUSIC II (9HYH2) Cargo 26,732DWT Malta flag (Seamusic Shipping Co. Ltd., c/o Thenamaris Ships Management Inc., Athens, Greece. Vessel seized by Government of Iraq) (vessel) [IRAQ]
SEBAA NISSAN (YISN) Tug 368DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]

SEBHA FODDER PLANT, Libya [LIBYA]
SEBHA GRAIN MILL, Libya [LIBYA]
SEBHA ROADS AND CONSTRUCTION CO., P.O. Box 92, Sebha, Libya; (branch) P.O. Box 8264, Tripoli, Libya [LIBYA]
SECYCO, 66 Archbishop Makarios III Avenue, Cronos Court, Office 23-24, Nicosia, Cyprus [FRY S&M]
SEKULAREC, Mirko, Plaza Liberty No. 8, 20131 Milan, Italy (address of EAST POINT HOLDINGS) (individual) [FRY S&M]
SEME, Belgrade, Serbia [FRY S&M]
SENANQUE (Senanque Shipping Co., Ltd., Cyprus) (vessel) [CUBA]
SENANQUE SHIPPING CO., LTD., Limassol, Cyprus [CUBA]
SERBIA ELECTRIC POWER COMPANY (a.k.a. ELEKTROPRIVREDA SRBIJE), Belgrade, Serbia [FRY S&M]
SENDIC, Bonvoj; Minister of Agriculture and Forestry of SRBH; Bosnia-Herzegovina (individual) [SRBH]
SERBIA POST, TELEGRAPH AND TELEPHONE (a.k.a. PTT SRBIJA), Belgrade, Serbia [FRY S&M]
SERBIAN PETROLEUM INDUSTRY (a.k.a. NISNAFTA INDUSTRIJA SRBIJE), Novi Sad, Vojvodina (Serbia) [FRY S&M]
SERBIAN RAILROAD TRANSPORTATION ORGANIZATION (a.k.a. ZELEZNICKO TRANSPORTNO PREDUZECE SRBIJE) Belgrade, Serbia [FRY S&M]
SERIFOS (f.k.a. LAKE STAR; f.k.a. SKADARLIJA) (JIFN3) Bulk Carrier 15,847GT Panama (Saint Vincent) Flag (Brilliant Night Shipping S.A.) ((Novi Shipping Company S.A.)) (vessel) [FRY S&M]
SERVIMPEX, S.A., Panama [CUBA]
SERVINAVES, S.A., Panama [CUBA]
SERVISIPORT, Podgorica, Montenegro [FRY S&M]
SERVO MIHALJ, Zrenjanin, Vojvodina (Serbia) [FRY S&M]
SEVER-AGROVOJVODINA GMBH (a.k.a. S.A.V. MUENCHEN, a.k.a. SAV SYSTEM AGROVOJVODINA VERTRIEBS GMBH), Germany [FRY S&M], all offices, including, but not limited to:
- SEVER-AGROVOJVODINA GMBH (a.k.a. S.A.V. MUENCHEN, a.k.a. SAV SYSTEM AGROVOJVODINA VERTRIEBS GMBH), Augustin Strasse 33, D-8000 Munich, Germany [FRY S&M]
- SEVER-AGROVOJVODINA GMBH (a.k.a. S.A.V. MUENCHEN, a.k.a. SAV SYSTEM AGROVOJVODINA VERTRIEBS GMBH), Wagenlager Borsigstrasse 5-7, 5090 Leverkusen, Germany [FRY S&M]

SEVER, Subotica, Vojvodina (Serbia) [FRY S&M]
SEVOJNO OVERSEAS CORPORATION, Englewood, NJ, U.S.A. [FRY S&M]
SHABOOT (HNLK) Fish 1,163DWT Iraqi flag (Rafidain Fisheries Co. Ltd.) (vessel) [IRAQ]
SHALLOUF, Farag Al Amin, P.O. Box 9575/11, 1st Floor, Piccadily Centre, Hamra Street, Beirut, Lebanon; Vali Conagi Cad. No. 10, 80200 Nisantasi, P.O. Box 380, 802323 Sisli, Istanbul, Turkey (individual) [LIBYA]
SHANAB, Tariq Abu, Musherfeh, P.O. Box 766, Zarka, Jordan (individual) [IRAQ]
SHANSHAL, Abd al-Jabbar Khalil, Minister of State for Military Affairs, DOB 1920, Iraq (individual) [IRAQ]
SHAQAQI, Fathi, Secretary General of PALESTINIAN ISLAMIC JIHAD-SHIQAQI (individual) [SDT]
SHARIF, Bashir M., Dat El Imad Administrative Complex Tower No. 2, P.O. Box 2542, Tripoli, Libya (individual) [LIBYA]
SHARIF, Bashir M., Vali Konagi Cad. No. 10, 80200 Nistantas, Istanbul, Turkey (individual) [LIBYA]
SHERLALA, Kassem M., P.O. Box 2438, Usama Bldg., 1st September Street, Tripoli, Libya (individual) [LIBYA]
SHATT' AL BASRAH (HNSR) Fish 404DWT Iraqi flag (Iraqi State Fisheries Company) (vessel) [IRAQ]
SHELL PETROLEUM DEVELOPMENT CO. OF LIBYA, P.O. Box 1420, Benghazi, Libya [LIBYA]
SHIPLEY SHIPPING CORP., Panama [CUBA]
SHOROOK (YISH) Service 403DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
SHU'ALAH (N/A) Tug DWT N/A Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
SIAF SA, 11, rue du C Beaux, Casablanca, Morocco [FRY S&M]
SIALA, Mohamed Taher Hammuda, Tripoli, Libya (individual) [LIBYA]
SIBONEY INTERNACIONAL, S.A., Edificio Balmoral, 82 Via Argentina, Panama City, Panama [CUBA]
SIBONEY INTERNACIONAL, S.A., Venezuela [CUBA]
SIEIRO DE NORIEGA, Felicidad, Panama (individual) [CUBA]
SILAMNIA (a.k.a. PUBLIC SAFETY COMMODITY IMPORTING CO.), P.O. Box 12942, Tripoli, Libya [LIBYA]
SIHAN (YISI) Tug 387DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
SILOWAT (n.k.a. ALFIDAA) (HNFD) Barge 1,662DWT Iraqi flag (Iraqi State Enterprise for Water Transport) (vessel) [IRAQ]
SIM, Gilberto F., Praca Pio X, 54-10o Andar, CEP 20091, Rio De Janeiro, Brazil (individual) [IRAQ]
SIMA POGACAREVIC-SIMPO (a.k.a. SIMPO), Vranje, Serbia [FRY S&M], all offices worldwide, including, but not limited to:
- SIMA POGACAREVIC-SIMPO (a.k.a. SIMPO), Stepanska 57/11 (c/o GENEX), Prague, Czech Republic [FRY S&M]
- SIMA POGACAREVIC-SIMPO (a.k.a. SIMPO), 9 Ovenecka, Prague 17000, Czech Republic [FRY S&M]
- SIMA POGACAREVIC-SIMPO (a.k.a. SIMPO), Staples Corner West, 717 North Circular Road, London, England [FRY S&M]
- SIMA POGACAREVIC-SIMPO (a.k.a. SIMPO), 2 Rue Ernest Psichari, Paris, France [FRY S&M]
- SIMA POGACAREVIC-SIMPO (a.k.a. SIMPO), 49 Blockdammweg, Berlin C 1157, Germany [FRY S&M]
- SIMA POGACAREVIC-SIMPO (a.k.a. SIMPO), Roberta Karolya 67, Budapest, Hungary [FRY S&M]
- SIMA POGACAREVIC-SIMPO (a.k.a. SIMPO), Via Tre Case 69-/A, Limena, Italy [FRY S&M]
- SIMA POGACAREVIC-SIMPO (a.k.a. SIMPO), 22 Via Š Sofia, Milan 20122, Italy [FRY S&M]
- SIMA POGACAREVIC-SIMPO (a.k.a. SIMPO), Turin, Italy [FRY S&M]
- SIMA POGACAREVIC-SIMPO (a.k.a. SIMPO), Ciech-Stomil 7422 Lipcast, Poland [FRY S&M]
- SIMA POGACAREVIC-SIMPO (a.k.a. SIMPO), Rybex-Odroweze 1, Szczecin, Poland [FRY S&M]
- SIMA POGACAREVIC-SIMPO (a.k.a. SIMPO), Paged, Warsaw, Poland [FRY S&M]
- SIMA POGACAREVIC-SIMPO (a.k.a. SIMPO), Podvale 27, Warsaw, Poland [FRY S&M]
- SIMA POGACAREVIC-SIMPO (a.k.a. SIMPO), c/o GENEX, Kutozovskii pr. 13 Podezd 3, kv. 111, Moscow, Russia [FRY S&M]
- SIMA POGACAREVIC-SIMPO (a.k.a. SIMPO), Kv 103, 62 Moskva Dom, Bolshaya Gruzinskaya, Moscow, Russia [FRY S&M]
- SIMA POGACAREVIC-SIMPO (a.k.a. SIMPO), Svetonikolsko Trg 6, Belgrade 11000, Serbia [FRY S&M]

SIMIC, Jovica, Major General and Commander, Eastern Bosnian Corps, SRBH Forces, based at Bijeljina, Bosnia-Herzegovina (individual) [SRBH]
SIMIC, Ratomir, Colonel and Commander, First Armored Brigade, First Krajina Corps, SRBH Forces, Bosnia-Herzegovina (individual) [SRBH]
SIMIT GMBH, 1010 Karlsplatz 1/2, Vienna, Austria [FRY S&M]
SIMIT GMBH, Representative Office, Sun Li Tun Diplomatic Office Bldg. 1-21, Beijing, 100600 China [FRY S&M]
SIMPO (a.k.a. SIMA POGACAREVIC-SIMPO), Vranje, Serbia [FRY S&M], all offices worldwide, including, but not limited to:
- SIMPO (a.k.a. SIMA POGACAREVIC-SIMPO), Stepanska 57/11 (c/o GENEX), Prague, Czech Republic [FRY S&M]
- SIMPO (a.k.a. SIMA POGACAREVIC-SIMPO), 9 Ovenecka, Prague 17000, Czech Republic [FRY S&M]
- SIMPO (a.k.a. SIMA POGACAREVIC-SIMPO), Staples Corner West, 717 North Circular Road, London, England [FRY S&M]
- SIMPO (a.k.a. SIMA POGACAREVIC-SIMPO), 2 Rue Ernest Psichari, Paris, France [FRY S&M]
- SIMPO (a.k.a. SIMA POGACAREVIC-SIMPO), 49 Blockdammweg, Berlin C 1157, Germany [FRY S&M]
- SIMPO (a.k.a. SIMA POGACAREVIC-SIMPO), Roberta Karolya 67, Budapest, Hungary [FRY S&M]
- SIMPO (a.k.a. SIMA POGACAREVIC-SIMPO), Via Tre Case 69-/A, Limena, Italy [FRY S&M]
- SIMPO (a.k.a. SIMA POGACAREVIC-SIMPO), 22 Via S Sofia, Milan 20122, Italy [FRY S&M]
- SIMPO (a.k.a. SIMA POGACAREVIC-SIMPO), Turin, Italy [FRY S&M]
- SIMPO (a.k.a. SIMA POGACAREVIC-SIMPO), Ciech-Stomil 7422 Lipcast, Poland [FRY S&M]
- SIMPO (a.k.a. SIMA POGACAREVIC-SIMPO), Rybex-Odroweze 1, Szczecin, Poland [FRY S&M]
- SIMPO (a.k.a. SIMA POGACAREVIC-SIMPO), Paged, Warsaw, Poland [FRY S&M]
- SIMPO (a.k.a. SIMA POGACAREVIC-SIMPO), Podvale 27, Warsaw, Poland [FRY S&M]
- SIMPO (a.k.a. SIMA POGACAREVIC-SIMPO), c/o GENEX, Kutozovskii pr. 13 Podezd 3, kv. 111, Moscow, Russia [FRY S&M]
- SIMPO (a.k.a. SIMA POGACAREVIC-SIMPO), Kv 103, 62 Moskva Dom, Bolshaya Gruzinskaya, Moscow, Russia [FRY S&M]
- SIMPO (a.k.a. SIMA POGACAREVIC-SIMPO), Svetonikolski Trg 6, Belgrade 11000, Serbia [FRY S&M]

SIMPO (UK) LTD., 14-15 Berners Street, London, England [FRY S&M]
SIMPO BRD, Moll-Strasse 10, 1020 Berlin, Germany [FRY S&M]
SIMPO FRANCE (f.k.a. BINGO FRANCE), 28 Rue du Puits Dormes Sennia 606, 94320 Thiais-CEDEX, France [FRY S&M]
SIMPO FURNITURE (CYPRUS) LTD., 1 Mykias Street, Flat 303, Nicosia, Cyprus [FRY S&M]
SIMPO FURNITURE (CYPRUS) LTD., Nicosia, Cyprus [FRY S&M]
SIMPO-INDUSTRIJA NAMESTAJA TAPETARIJE, Deuseka 1, Belgrade, Serbia [FRY S&M]
SIMPO INTERNATIONAL (BRANCH OFFICE), Dufourstrasse 107, Zurich, Switzerland [FRY S&M]
SIMPO INTERNATIONAL, London, England [FRY S&M]
SIMPO SPOL GMBH, Prague, Czech Republic [FRY S&M]
SIMPO SRL, Bassano Del Vialle Dele Fosse 30, Grappa, Italy [FRY S&M]
SINAI (N/A) Service 1,286DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
SINJAR (YIAY) Service DWT N/A Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
SINTELON, Bela Palanka, Serbia [FRY S&M]
SIRM HOLDING S.R.L., Rome, Italy [LIBYA]
SIRTE OIL CO. FOR PRODUCTION MANUFACTURING OIL & GAS MARSA EL BREGA (a.k.a. SIRTE OIL COMPANY), P.O. Box 2582, Tripoli, Libya [LIBYA]
SIRTE OIL CO. FOR PRODUCTION MANUFACTURING OIL & GAS MARSA EL BREGA (a.k.a. SIRTE OIL COMPANY), Benghazi, Libya [LIBYA]
SIRTE OIL CO. FOR PRODUCTION MANUFACTURING OIL & GAS MARSA EL BREGA (a.k.a. SIRTE OIL COMPANY), Marsa El Brega, Libya [LIBYA]
SIRTE OIL CO. FOR PRODUCTION MANUFACTURING OIL & GAS MARSA EL BREGA (a.k.a. SIRTE OIL COMPANY), Sirte Field, Libya [LIBYA]
SIRTE OIL CO. FOR PRODUCTION MANUFACTURING OIL & GAS MARSA EL BREGA (a.k.a. SIRTE OIL COMPANY), P.O. Box 385, Tripoli, Libya [LIBYA]
SIRTE OIL COMPANY (a.k.a. SIRTE OIL CO. FOR PRODUCTION MANUFACTURING OIL & GAS MARSA EL BREGA), P.O. Box 2582, Tripoli, Libya [LIBYA]
SIRTE OIL COMPANY (a.k.a. SIRTE OIL CO. FOR PRODUCTION MANUFACTURING OIL & GAS MARSA EL BREGA), Benghazi, Libya [LIBYA]
SIRTE OIL COMPANY (a.k.a. SIRTE OIL CO. FOR PRODUCTION MANUFACTURING OIL & GAS MARSA EL BREGA), Sirte Field, Libya [LIBYA]
SIRTE OIL COMPANY (a.k.a. SIRTE OIL CO. FOR PRODUCTION MANUFACTURING OIL & GAS

MARSA EL BREGA), P.O. Box 385, Tripoli, Libya [LIBYA]
SIRTE OIL COMPANY (a.k.a. SIRTE OIL CO. FOR PRODUCTION MANUFACTURING OIL & GAS MARSA EL BREGA), Marsa El Brega, Libya [LIBYA]
SKADARLIJA (n.k.a. SERIFOS; f.k.a. LAKE STAR) (JIFN3) Bulk Carrier 15,84GT Panama (Saint Vincent) Flag (Brilliant Night Shipping S.A.) ((Novi Shipping Company S.A.)) (vessel) [FRY S&M]
SKORIC, Milan; Lt. Colonel and Commander, Second Armored Brigade, First Krajina Corps, SRBH Forces; Bosnia-Herzegovina (individual) [SRBH]
SKY SEA (f.k.a. Iraqi-owned ALRAZI) (HNRZ) Cargo 8,334 DWT Honduras flag (Pandora Shipping Co. S.A., Honduras. Managed by Petra Navigation & International Trading Co. Ltd., Amman, Jordan) (vessel) [IRAQ]
SLAVEN (YTMP) Tanker 126GT Yugoslavia Flag (Komunalno Poduzece) (vessel) [FRY S&M]
SLAVIJA BANKA, all offices (Bank is headquartered in Belgrade, Serbia) [FRY S&M]
SLUZBA DRUSTVENOG KNJIGOVODSTVA (a.k.a. SDK; a.k.a. SOCIAL ACCOUNTING SERVICE), Belgrade, Serbia [FRY S&M]
SMEDEREVSKA BANKA d.d., all offices (Bank is headquartered in Belgrade, Serbia) [FRY S&M]
SMEDEREVO (n.k.a. ORE STAR) (J8FN9) Ore/Oil Carrier 86,401GT Saint Vincent Flag (Glimmer Maritime S.A.) (vessel) [FRY S&M]
SMIP (a.k.a. SOCIETE MAGHREBINE D'INVESTISSEMENT ET DE PARTICIPATION), 47, Avenue Kheireddine Pacha, 1002 Tunis, Tunisia [LIBYA]
SOCIAL ACCOUNTING SERVICE (a.k.a. SDK, a.k.a. SLUZBA DRUSTVENOG KNJIGOVODSTVA), Belgrade, Serbia [FRY S&M]
SOCIALIST EST. FOR SPINNING AND WEAVING, Zanzour Km. 15, P.O. Box 30186, Tripoli, Libya. (branch) P.O. Box 852, Benghazi, Libya [LIBYA]
SOCIETA COMMERCIA MINERALI E METTALLI, SRL (a.k.a. SOCOMET, SPA), Milan, Italy [CUBA]
SOCIETE AGRICOLE TOGOLAISE ARABE LIBYENNE, Lome, Togo [LIBYA]
SOCIETE ARABE LIBYENNE-CENTRAFRICAINE D'IMPORT-EXPORT, Bangui, Central African Republic [LIBYA]
SOCIETE ARABE LIBYENNE MALIENNE POUR L'AGRICULTURE ET L'ELEVAGE (a.k.a. SOLIMA), Bamako, Mali [LIBYA]
SOCIETE ARABE LIBYENNE MAURITANIENNE DES RESSOURCES MARITIMES (a.k.a. SALIMAUREM), Nouadhibou, Mauritania [LIBYA]
SOCIETE ARABE LIBYO-GUINEENNE POUR LE DEVELOPPEMENT AGRICOLE ET AGRO-INDUSTRIEL (a.k.a. SALGUIDIA), Conakry, Guinea [LIBYA]
SOCIETE ARABE LIBYO-NIGERE POUR LE DEVELOPPEMENT ET LA COMMERCIALISATION DES PRODUITS AGRICOLES, Niamey, Niger [LIBYA]
SOCIETE ARABE LIBYO-TUNISIENNE DE TRANSPORT MARITIME, Tunis, Tunisia [LIBYA]
SOCIETE D'ECONOMIE MIXTE CENTRE AFRICAINE LIBYENNE DES PRODUITS AGRICOLES, Bangui, Central African Republic [LIBYA]
SOCIETE DE RECHERCHE ET D'EXPLOITATION COMMUNE ET DE SERVICE PETROLIERE (a.k.a. JOINT EXPLORATION, EXPLOITATION AND PETROLEUM SERVICES COMPANY, a.k.a. JOINT OIL, a.k.a. JOINT OIL TUNISIA, a.k.a. LIBYA-TUNISIAN EXPLORATION COMPANY), Planning & Logistic Group complex, Port of Zarzis, Tunisia [LIBYA]
SOCIETE DE RECHERCHE ET D'EXPLOITATION COMMUNE ET DE SERVICE PETROLIERE (a.k.a. JOINT EXPLORATION, EXPLOITATION AND PETROLEUM SERVICES COMPANY, a.k.a. JOINT OIL, a.k.a. JOINT OIL TUNISIA, a.k.a. LIBYAN-TUNISIAN EXPLORATION COMPANY), B.P. Houmt Souk 4180 Djerba Island, Tunisia [LIBYA]
SOCIETE DE RECHERCHE ET D'EXPLOITATION COMMUNE ET DE SERVICE PETROLIERE (a.k.a. JOINT EXPLORATION, EXPLOITATION AND PETROLEUM SERVICES COMPANY, a.k.a. JOINT OIL, a.k.a. JOINT OIL TUNISIA, a.k.a. LIBYAN-TUNISIAN EXPLORATION COMPANY), 7th of November offshore field, Gulf of Gabes [LIBYA]
SOCIETE GENERALE YUGOSLAV BANK d.d., Belgrade, Serbia [FRY S&M]
SOCIETE INTERAFFRICAINE DU BANQUE (a.k.a. BALTEX; a.k.a. BANQUE ARABE LIBYENNE TOGOLAISE DU COMMERCE EXTERIEUR), P.O. Box 4874, Lome, Togo [LIBYA]
SOCIETE LIBYENNE CENTRE AFRICAINE DES MINES, Bangui, Central African Republic [LIBYA]
SOCIETE MAGHREBINE D'INVESTISSEMENT ET DE PARTICIPATION (a.k.a. SMIP), 47, Avenue Kheireddine Pacha, 1002 Tunis, Tunisia [LIBYA]
SOCIETE MIXTE RWANDO-ARABE LIBYENNE DE PROMOTION HOTELIERE ET TOURISTIQUE AU RWANDA, Kigali, Rwanda [LIBYA]
SOCIETE MIXTE RWANDO ARABE LIBYENNE POUR LE DEVELOPPEMENT ET LA COMMERCIALISATION DES PRODUITS AGRICOLES ET D'ELEVAGE, Kigali, Rwanda [LIBYA]
SOCIETE TOGOLAISE ARABE LIBYENNE DE PECHE, Lome, Togo [LIBYA]
SOCOMET, SPA (a.k.a. SOCIETA COMMERCIA MINERALI E METALLI, SRL), Milan, Italy [CUBA]
SOKTAR (a.k.a. JARACO S.A.; f.k.a. TRADACO S.A.), 45 Route de Frontenex, CH-1207 Geneva, Switzerland [IRAQ]
SOLIMA (a.k.a. SOCIETE ARABE LIBYENNE MALIENNE POUR L'AGRICULTURE ET L'ELEVAGE), Bamako, Mali [LIBYA]
SOLNECHNIK (UOJE) Fish 404DWT Iraqi flag (Iraqi State Fisheries Company) (vessel) [IRAQ]
SOMBOR PROMET-AGROSAVEZ, Sombor, Vojvodina (Serbia) [FRY S&M]
SOPHIE HOPE (f.k.a. RADNIK) (3ELK3) Bulk Carrier 17,882GT Libena (Panama) Flag (Pocatelo Shipping Ltd.) ((Oceanic Bulk Shipping S.A.)) (vessel) [FRY S&M]
SORMAN FODDER PLANT, Libya [LIBYA]
SOUK EL KHAMIS CEMENT CO., Libya [LIBYA]
SOUK EL KHAMIS GENERAL CEMENT AND BUILDING MATERIALS CORP., Tarhuna, Sharia Bou Handa, P.O. Box 1084, Tripoli, Libya [LIBYA]
SOUK EL KHAMIS LIME FACTORY, Libya [LIBYA]
SOUSA SHIPPING AND STEVEDORING EST., P.O. Box 2973, Benghazi, Libya [LIBYA]
SOUTH ADRIATIC BULK SHIPPING LTD., Valletta, Malta, c/o Jugoslavenska Oceanska Plovidba BB, Njegoseva, P.O. Box 18, 85330 Kotor, Montenegro [FRY S&M]
SOUTH CROSS SHIPPING LTD. (f.k.a. MONTENEGRO OCEAN SHIPPING), Valletta, Malta, c/o Milena Ship Management Co. Ltd., Masons Building, 86, The Strand, Sliema, Malta [FRY S&M]
SOUTH ISLANDS (South Islands Co., Ltd., Cyprus) (vessel) [CUBA]
SOUTH ISLANDS CO., LTD., Limassol, Cyprus [CUBA]
SOUZA, Francisco Antonio, Praca Pio X, 54-10o Andar, CEP 20091, Rio De Janeiro, Brazil (individual) [IRAQ]
SOZINA (YTCS) Tug 169GT Yugoslavia (Luka Bar-Preduzece) (vessel) [FRY S&M]
SP DNJEPRO-KARIC (a.k.a. SP DNYEPRO-KARIC), ul. Nabareznaya Lenina 33, kom 313, Dnyepropetrovsk, 320081 Ukraine [FRY S&M]
SP DNJEPROMETALIN (a.k.a. SP DNYEPROMETALIN), ul. Artelynaya 10, Dnyepropetrovsk, 320081 Ukraine [FRY S&M]
SP DNYEPRO-KARIC (a.k.a. SP DNJEPRO-KARIC), ul. Nabareznaya Lenina 33, kom 313, Dnyepropetrovsk, 320081 Ukraine [FRY S&M]
SP DNYEPROMETALIN (a.k.a. SP DNJEPROMETALIN), ul. Artelynaya 10, Dnyepropetrovsk, 320081 Ukraine [FRY S&M]
SP MASSIV KARIC (a.k.a. MASSIV K, a.k.a. MASSIV-KARITSCH, a.k.a. KARIC MASSIV, a.k.a. MASSIV-KARICHI), 627720 RSFSR, Tyumenenskaya Oblast, Sovyetstrayon, Yagorka ul. Mira, 43, Russia [FRY S&M]
SP MKT-KARIC, ul. Transportnaya Dom 10, Odincovo, Moscow 143000, Russia [FRY S&M]
SPASIC, Andrea; General Secretary of SRBH, Bosnia-Herzegovina (individual) [SRBH]
SPECKMAN, Jeanine, England (individual) [IRAQ]
SPLITSKA BANKA DD SPLIT (Knin), Knin, Croatia [FRY S&M]
SRBIJA - KRAGUJEVAC, Kragujevac, Serbia [FRY S&M]
SRBIJATURIST, Nis, Serbia [FRY S&M]
SRBOCOOP, Belgrade, Serbia [FRY S&M]
SRDIC, Srdo; Deputy in SRBH Assembly; Prijedor, Bosnia-Herzegovina (individual) [SRBH]
SREMO, Vlado; Major General and Chief of Staff, East Herzegovina Corps, SRBH Forces; DOB 1935; POB Mostar, Bosnia-Herzegovina; Bosnia-Herzegovina (individual) [SRBH]
SRPSKA FABRIKA STAKLA, Paracin, Serbia [FRY S&M]
STANDWEAR (Standwear Shipping Co., Ltd., Cyprus) (vessel) [CUBA]
STANDWEAR SHIPPING CO., LTD., Limassol, Cyprus [CUBA]
STAR 1 (Canapel, S.A., Panama) (vessel) [CUBA]
STAVROU, Stavros, Cyprus (individual) [LIBYA]
STELJIC, Marko; DOB 10 Oct 35; Bulevar Marsala Tita 11, 11000 Beograd, Serbia (individual) [FRY S&M]
STERN, Alfred Kaufman, Prague, Czechoslovakia (individual) [CUBA]
SUANI GYPSUM PLANT, Libya [LIBYA]
SUKO, Pirot, Serbia [FRY S&M]
SULAIMANIYAH (YIAG) Service DWT N/A Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
SUMADIJA (9HUI3) Bulk Carrier 17,939GT Malta Flag (South Adriatic Bulk Shipping Ltd.) (vessel) [FRY S&M]
SUNBOW MARITIME S.A., Panama City, Panama, c/o Beogradska Plovidba, Lenjinov Bulevar 165A, 11070 Novi Beograd, Serbia [FRY S&M]
SUPLIDORA LATINO AMERICANA, S.A. (a.k.a. SUPLILAT, S.A.), Panama City, Panama [CUBA]
SUPLILAT, S.A., (a.k.a. SUPLIDORA LATINO AMERICANA, S.A.), Panama City, Panama [CUBA]
SURVEY LAUNCH No. 1 (N/A) Research DWT N/A (State Org. of Iraqi Ports) (vessel) [IRAQ]
SURVEY LAUNCH No. 2 (N/A) Research DWT N/A (State Org. of Iraqi Ports) (vessel) [IRAQ]
SURVEY LAUNCH No. 3 (N/A) Research DWT N/A (State Org. of Iraqi Ports) (vessel) [IRAQ]
SUTJESKA (9HSN3) Bulk Carrier 38,551GT Malta Flag (Kotor Overseas Shipping Ltd.) (vessel) [FRY S&M]
SVAJCARSKO-JUGOSLOVENSKA BANKA, all offices (Bank is headquartered in Serbia) [FRY S&M]
SVETI STEFAN (9HTJ3) Pax/RO/RO Cargo/Ferry 1,637GT Malta Flag (Lovcen Overseas Shipping Ltd.) (vessel) [FRY S&M]
SWAN LAUNDRY AND DRY CLEANING COMPANY, LTD., 55, Racecourse Street, Marsa, Malta [LIBYA]
SYLICO (a.k.a. ARAB LIBYAN SYRIAN INDUSTRIAL & AGRICULTURAL INVESTMENT COMPANY; a.k.a. SYRIAN LIBYAN COMPANY - INDUSTRIAL & AGRICULTURAL INVESTMENTS), 9 Mazze, Autostrade, Damascus, Syria [LIBYA]
SYRIAN LIBYAN COMPANY - INDUSTRIAL & AGRICULTURAL INVESTMENTS (a.k.a. ARAB LIBYAN SYRIAN INDUSTRIAL & AGRICULTURAL INVESTMENT COMPANY; a.k.a. SYLICO), 9 Mazze, Autostrade, Damascus, Syria [LIBYA]
T N K FABRICS LIMITED, England [IRAQ]
T.D.G. (a.k.a. TECHNOLOGY AND DEVELOPMENT GROUP LTD.), Centric House 390/391, Strand, London, England [IRAQ]
T.E.G. LIMITED, 3 Mandeville Place, London, England [IRAQ]
T.M.G. ENGINEERING LIMITED, Castle Row, Horticultural Place, Chiswick, London, England [IRAQ]
T.S.M. LTD., China HK City Tower II 1109, 33 Canton Road, T.S.T. (Tsim Sha Tsui), Kowloon, Hong Kong [FRY S&M]
TACON GROUP, Serbia [FRY S&M]
TADMUR (HNTD) Tanker 3,627DWT Iraqi flag (Iraqi Oil Tankers Company) (vessel) [IRAQ]
TAHARAR FOOTWEAR PLANT, Tripoli, Libya [LIBYA]
TAHREER (YITR) Service 4,649DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
TAJOURA MODERN TANNERY, Libya [LIBYA]
TAKOVO, Belgrade, Serbia [FRY S&M]

TALAA'AL AL-FATEH (a.k.a. JIHAD GROUP; a.k.a. AL-JIHAD; a.k.a. VANGUARDS OF CONQUEST), Egypt [SDT]
TALIC, Momir; Lt. Colonel General and Commander, First Krajina Corps, SRBH Forces, based at Banja Luka; DOB 15 Jul 42; POB Valjevo, Serbia; Bosnia-Herzegovina (individual) [SRBH]
TALL, Aktham, P.O. Box 1318, Amman, Jordan (individual) [IRAQ]
TALLER DE REPARACIONES NAVALES, S.A. (a.k.a. TARENA), Panama City, Panama [CUBA]
TAMOIL HUNGARIA, Hungary [LIBYA]
TAMOIL ITALIA S.P.A., Cremona Refinery, Italy [LIBYA]
TAMOIL ITALIA S.P.A., Piazzetta Bossi 3, I-20121 Milan, Italy [LIBYA]
TAMOIL PETROLI ITALIANA S.P.A., (1,977 gasoline retail outlets in Italy) [LIBYA]
TAMOIL PETROLI ITALIANA S.P.A., Milan, Italy [LIBYA]
TAMOIL SUISSE S.A. (a.k.a. TAMOIL SWITZERLAND; f.k.a. GATOIL SUISSE S.A.), Geneva, Switzerland [LIBYA]
TAMOIL SUISSE S.A. (a.k.a. TAMOIL SWITZERLAND; f.k.a. GATOIL SUISSE S.A.), (330 gasoline retail outlets in Switzerland) [LIBYA]
TAMOIL SUISSE S.A. (a.k.a. TAMOIL SWITZERLAND; f.k.a. GATOIL SUISSE S.A.), (RSO refinery in Collombey) [LIBYA]
TAMOIL SUISSE S.A. (a.k.a. TAMOIL SWITZERLAND; f.k.a. GATOIL SUISSE S.A.), Zug, Switzerland [LIBYA]
TAMOIL SWITZERLAND (a.k.a. TAMOIL SUISSE S.A.; f.k.a. GATOIL SUISSE S.A.), (330 gasoline retail outlets in Switzerland) [LIBYA]
TAMOIL SWITZERLAND (a.k.a. TAMOIL SUISSE S.A.; f.k.a. GATOIL SUISSE S.A.), Zug, Switzerland [LIBYA]
TAMOIL SWITZERLAND (a.k.a. TAMOIL SUISSE S.A.; f.k.a. GATOIL SUISSE S.A.), (RSO refinery in Collombey) [LIBYA]
TAMOIL SWITZERLAND (a.k.a. TAMOIL SUISSE S.A.; f.k.a. GATOIL SUISSE S.A.), Geneva, Switzerland [LIBYA]
TAMOIL TRADING LTD. (f.k.a. TAMOIL [UK] LTD.), 25 Schutzengasse CH 8001, Zurich, Switzerland [LIBYA]
TAMOIL TRADING LTD. (f.k.a. TAMOIL [UK] LTD.), 1 St. Paul's Churchyard, London EC4M 8SH, England [LIBYA]
TAMOIL TRADING LTD. (f.k.a. TAMOIL [UK] LTD.), 24 Boulevard Princess Charlotte, Monte Carlo, Monaco [LIBYA]
TAMOIL [UK] LTD. (n.k.a. TAMOIL TRADING LTD.), see listings [LIBYA]
TANJUG (a.k.a. NOVINSKA AGENCIJA TANJUG), Belgrade, Serbia [FRY S&M]
TARA (CETINJA), Cetinje, Montenegro [FRY S&M]
TARA (n.k.a. RIO G) (9HTK3) General Dry Cargo 9,201GT Malta Flag (Bar Overseas Shipping Ltd.) (vessel) [FRY S&M]
TARA (PLJEVLJA), Pljevlja, Montenegro [FRY S&M]
TARENA, S.A. (a.k.a. TALLER DE REPARACIONES NAVALES S.A.), Panama [CUBA]
TARIK IBN ZIYAD (HNTZ) Tanker 118,139DWT Iraqi flag (Iraqi Oil Tankers Company) (vessel) [IRAQ]
TARIQ ABU SHANAB EST. FOR TRADE & COMMERCE (a.k.a. TARIQ ABU SHANAB EST.; a.k.a. TARIQ ABU SHANAB METALS ESTABLISHMENT), Musherfeh, P.O. Box 766, Zarka, Jordan [IRAQ]
TARIQ ABU SHANAB EST. TARIQ ABU SHANAB METALS ESTABLISHMENT (a.k.a. TARIQ ABU SHANAB EST. FOR TRADE & COMMERCE; a.k.a. TARIQ ABU SHANAB METALS ESTABLISHMENT), Musherfeh, P.O. Box 766, Zarka, Jordan [IRAQ]
TARIQ ABU SHANAB METALS ESTABLISHMENT (a.k.a. TARIQ ABU SHANAB EST.; a.k.a. TARIQ ABU SHANAB EST. FOR TRADE & COMMERCE), Musherfeh, P.O. Box 766, Zarka, Jordan [IRAQ]
TASLAW NOMINEES LTD., 2 Sofoules Street, Chanteclair Bldg., 2nd Floor No. 205, Nicosia, Cyprus [FRY S&M]
TASLAW SECRETARIAL LTD., 2 Sofoules Street, Chanteclair Bldg., 2nd Floor No. 205, Nicosia, Cyprus [FRY S&M]
TASLAW SERVICES LTD., 2 Sofoules Street, Chanteclair Bldg., 2nd Floor No. 205, Nicosia, Cyprus [FRY S&M]
TAT TRADING LTD., Limassol, Cyprus [FRY S&M]
TAVEIRA, A. Arnaldo G., Praca Pio X, 54-10o Andar, CEP 20091, Rio De Janeiro, Brazil (individual) [IRAQ]
TECHNIC DIGEMEX CORP., Calle 34 No. 4-50, Office 301, Panama City, Panama [CUBA]
TECHNIC HOLDING INC., Calle 34 No. 4-50, Office 301, Panama City, Panama [CUBA]
TECHNICAL CO. FOR AGRICULTURAL PEST CONTROL, New Gourgy Road, P.O. Box 6445, Tripoli, Libya; (branch) Nacer Street, Benghazi, Libya [LIBYA]
TECHNOLOGY AND DEVELOPMENT GROUP LTD. (a.k.a. T.D.G.), Centric House 390/391, Strand, London, England [IRAQ]
TECNOPROM (CYPRUS) LTD., 57 Ledra Street, No. 7, Nicosia, Cyprus [FRY S&M]
TEHNOGAS, Kraljevo, Serbia [FRY S&M]
TEHNOHEMIJA, Belgrade, Serbia [FRY S&M]
TEHNOPROMET, Belgrade, Serbia [FRY S&M]
TEHNOSERVIS, Belgrade, Serbia [FRY S&M]
TEKING-INVEST, Belgrade, Serbia [FRY S&M]
TEKNICA OIL SERVICES (OVERSEAS) LIMITED, Cyprus [LIBYA]
TEKNICA PETROLEUM SERVICES LIMITED, Suite 1100, 736 Sixth Avenue S.W., Calgary, Alberta T2P 3T7, Canada [LIBYA]
TEKNICA (UK) LIMITED (f.k.a. FC9063 LIMITED), 15/17 Lodge Road, St. Johns Wood, London NW8 7JA, England; Avon House, 360-366 Oxford Street, London W1N 9HA, England; Tripoli, Libya [LIBYA]
TEKNOX, Belgrade, Serbia [FRY S&M]
TEKSTILNI KOMBINAT RASKA, Novi Pazar, Serbia [FRY S&M]
TEKXEL LIMITED (a.k.a. JAWABY TECHNICAL SERVICES LIMITED), London, England [LIBYA]
TELEOPTIK, Belgrade, Serbia [FRY S&M]
TEMIS SHIPPING CO., Panama [CUBA]
TEXTILE INDUSTRY OF GRDELICA (a.k.a. TIG - TEKSTILNA INDUSTRIJA GRDELICA), Grdelica, Serbia [FRY S&M]
THE ISLAMIC GROUP (a.k.a. ISLAMIC GAMA'AT, a.k.a. GAMA'AT, a.k.a. GAMA'AT AL-ISLAMIYYA; a.k.a. AL-GAMA'A AL-ISLAMIYYA), Egypt [SDT]
THE MODERN FASHION CO. FOR TRADING AND MANUFACTURING OF CLOTHING, Libya [LIBYA]
THE NATIONAL LINE OF LIBYA (a.k.a. GENERAL NATIONAL MARITIME TRANSPORT CO.), P.O. Box 80173, 2 Ahmed Sharif Street, Tripoli, Libya (and at all Libyan ports); (branch) P.O. Box 2450, Benghazi, Libya [LIBYA]
THEEQAR (YIAC) Tug 220DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
THRIFTFINE LTD., 47 Great Marlborough Street, London W1V 2AS, England [FRY S&M]
TIBESTI AUTOMOBILE GENERAL CO., P.O. Box 8456, Tripoli, Libya; (branch) P.O. Box 5397, Benghazi, Libya; (branch) Derna, Libya; (branch) Misurata, Libya; (branch) Khums, Libya; (branch) Sebha, Libya; (branch) Gharian, Libya; (branch) Zawia, Libya; (branch) Tripoli, Libya [LIBYA]
TIFON (Senanque Shipping Co., Ltd., Cyprus) (vessel) [CUBA]
TIG - TEKSTILNA INDUSTRIJA GRDELICA (a.k.a. TEXTILE INDUSTRY OF GRDELICA), Grdelica, Serbia [FRY S&M]
TIGAR AMERICA, Jacksonville, Florida, U.S.A. [FRY S&M]
TIGAR, Pirot, Serbia [FRY S&M]
TIGRIS TRADING, INC., 2 Stratford Place, London W1N 9AE, England [IRAQ]
TIGRIS TRADING, INC., 5903 Harper Road, Solon, OH 44139 U.S.A. [IRAQ]
TIGRIS TRADING, INC., 600 Grant Street, 42nd Floor, Pittsburgh, PA 15219 U.S.A. [IRAQ]
TIVAT (9HUM3) General Dry Cargo 9,698GT Malta Flag (Zeta Ocean Shipping Ltd.) (vessel) [FRY S&M]
TOHOLJ, Miroslav; Minister of Information of SRBH; DOB 11 Apr 57; POB Ljubinje, Bosnia-Herzegovina; Bosnia-Herzegovina (individual) [SRBH]
TOLEDO, R.F., Managing Director, Havana International Bank, 20 Ironmonger Lane, London EC2V 8EF, England (individual) [CUBA]
TOLMETHA SHIPPING ESTABLISHMENT, P.O. Box 208, Derna, Libya [LIBYA]
TOPIC, Vlado; Lt. Colonel and Commander, Sixteenth Artillery Brigade, First Krajina Corps, SRBH Forces; DOB 1955; POB Prijedor, Bosnia-Herzegovina; Bosnia-Herzegovina (individual) [SRBH]
TOPOLICA (Unknown) Tug 169GT Yugoslavia (Luka Bar-Preduzece) (vessel) [FRY S&M]
TORRES, Manuel, Representative, Banco Nacional de Cuba, Federico Boyd Ave & 51 Street, Panama City, Panama (individual) [CUBA]
TOSCO, Arnaldo (GARCIA), Panama (individual) [CUBA]
TOURIST ASSOCIATION OF YUGOSLAVIA (a.k.a. TURISTICKI SAVEZ JUGOSLAVIJE), Belgrade, Serbia [FRY S&M]
TOURIST ENTERPRISE MONTENEGROEXPRES (a.k.a. MONTENEGROEXPRES - BUDVA), Budva, Montenegro [FRY S&M]
TRADACO S.A. (n.k.a. JARACO S.A.; n.k.a. SOKTAR), 45 Route de Frontenex, CH-1207 Geneva, Switzerland [IRAQ]
TRADING & MARITIME INVESTMENTS, San Lorenzo, Honduras [IRAQ]
TRAFI HOLDINGS LTD., 18 Ayios Dometios Street, Nicosia, Cyprus [FRY S&M]
TRAMP PIONEER SHIPPING CO., Panama (c/o Anglo Caribbean Shipping Co., Ltd., 4th Floor, South Phase 2, South Quay Plaza, 183 Marsh Wall, London E14 9SH, England [CUBA]
TRANSIT, S.A., Panama [CUBA]
TRANSOVER, S.A. (a.k.a. HAVINPEX, S.A.), Panama City, Panama [CUBA]
TRANSPORT, Kolasin, Montenegro [FRY S&M]
TRANSSERVIS, Bijelo Polje, Montenegro [FRY S&M]
TRAVEL SERVICES, INC., Hialeah, Florida, U.S.A. [CUBA]
TRBOJEVIC, Milan, Counselor to Premier of SRBH; Bosnia-Herzegovina (individual) [SRBH]
TREBJESA, Niksic, Montenegro [FRY S&M]
TREPCA-KOSOVSKA MITROVICA (a.k.a. MINING METALLURGY-CHEMICAL COMBINATION OF LEAD AND ZINC), Kosovska Mitrovica, Kosovo (Serbia) [FRY S&M]
TREVISO TRADING CORPORATION, Edificio Banco de Boston, Panama City, Panama [CUBA]
TRGOPRODUKT, Pancevo, Vojvodina (Serbia) [FRY S&M]
TRGOPROMET, Cetinje, Montenegro [FRY S&M]
TRGOVACKA BANKA d.d., Belgrade, Serbia [FRY S&M]
TRGOVINA KOSOVO, Prizren, Kosovo (Serbia) [FRY S&M]
TRINAESTI JULI (a.k.a. 13th JULY) (9HTQ3) Bulk Carrier 17,233GT Malta Flag (Zeta Ocean Shipping Ltd.) (vessel) [FRY S&M]
TRIPOLI CEMENT SILOS, Libya [LIBYA]
TRIPOLI GRAIN MILL, Libya [LIBYA]
TROBER, S.A. (a.k.a. TROVER, S.A.), Edificio Saldivar, Panama City, Panama [CUBA]
TROPIC TOURS GMBH (a.k.a. TROPICANA TOURS GMBH), Lietzenburger Strasse 51, Berlin, Germany [CUBA]
TROPICAL AFRICAN BANK LIMITED (f.k.a. LIBYAN ARAB UGANDA BANK FOR FOREIGN TRADE AND DEVELOPMENT), P.O. Box 9485, Kampala, Uganda [LIBYA]
TROPICANA TOURS GMBH (a.k.a. TROPIC TOURS GMBH), Lietzenburger Strasse 51, Berlin, Germany [CUBA]
TROVER, S.A. (a.k.a. TROBER, S.A.), Edificio Saldivar, Panama City, Panama [CUBA]
TRUST IMPORT-EXPORT, S.A., Panama [CUBA]
TUBIN, Dusan; Lt. Colonel and Commander, Fifth Kozarska Brigade, First Krajina Corps, SRBH Forces, Bosnia-Herzegovina (individual) [SRBH]
TUFAYLI, Subhi; Former Secretary General and Current Senior Figure of HIZBALLAH; DOB 1947, POB Biqa Valley, Lebanon (individual) [SDT]

TULIP ISLANDS (Pocho Navigation Co., Cyprus) (vessel) [CUBA]

TURISTICKI SAVEZ JUGOSLAVIJE (a.k.a. TOURIST ASSOCIATION OF YUGOSLAVIA), Belgrade, Serbia [FRY S&M]

TURKISH-LIBYAN JOINT MARITIME TRANSPORT STOCK COMPANY (a.k.a. TURLIB), Kemeralti Caddesi 99, 80020 Karakoy, Istanbul, Turkey [LIBYA]

TURLIB (a.k.a. TURKISH-LIBYAN JOINT MARITIME TRANSPORT STOCK COMPANY), Kemeralti Caddesi 99, 80020 Karakoy, Istanbul, Turkey [LIBYA]

TWEPICO LTD., 209 Archbishop Makarios III Avenue, Fytides Bldg., Apt. 102, Limassol, Cyprus [FRY S&M]

TYRE PLANT, Libya [LIBYA]

TYRES RETREADING CENTRES, Libya [LIBYA]

U.I. INTERNATIONAL, England [IRAQ]

UBB INVESTMENTS & FINANCE (a.k.a. PCL PELCAM TRADE LTD.), 2 Sofoules Street, Chanteclair Bldg., 2nd Floor, No. 205, Nicosia, Cyprus [FRY S&M]

UDRUZENA BEOGRADSKA BANKA (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.), all offices worldwide [FRY S&M] including, but not limited to:

- UDRUZENA BEOGRADSKA BANKA (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.) P.O. Box 3502, Harrare, Zimbabwe [FRY S&M]
- UDRUZENA BEOGRADSKA BANKA (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.) Kungsgaten 32/VI, P.O. Box 7592, 10393 Stockholm, Sweden [FRY S&M]
- UDRUZENA BEOGRADSKA BANKA (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.) Piazza Velasca 5, Milan, Italy [FRY S&M]
- UDRUZENA BEOGRADSKA BANKA (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.) Drokstre Str. 14-16, 3000 Hannover 1, Germany [FRY S&M]
- UDRUZENA BEOGRADSKA BANKA (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.) Sokolovska 93/2p, Prague 8-Karlin, Czech Republic [FRY S&M]
- UDRUZENA BEOGRADSKA BANKA (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.) Kleine Budergasse 13, 5000 Koln 1, Germany [FRY S&M]
- UDRUZENA BEOGRADSKA BANKA (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.) 108 Fenchurch Street, London LEC 3M 5 JJ, England [FRY S&M]
- UDRUZENA BEOGRADSKA BANKA (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.) Landestrasse-Hauptstrasse 1/III, 1030 Vienna, Austria [FRY S&M]
- UDRUZENA BEOGRADSKA BANKA (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.) Przedstawicielstwo Aleje Roz 5, Warsaw, Poland [FRY S&M]
- UDRUZENA BEOGRADSKA BANKA (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.) Karlstrasse 31, 4000 Duesseldorf 1, Germany [FRY S&M]
- UDRUZENA BEOGRADSKA BANKA (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.) Damrak 28-30/IV, Amsterdam, Netherlands [FRY S&M]
- UDRUZENA BEOGRADSKA BANKA (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.) Sonnenstrasse 12/III, 8000 Munich 2, Germany [FRY S&M]
- UDRUZENA BEOGRADSKA BANKA (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.) 38 Rue Ali Azil, Algiers, Algeria [FRY S&M]
- UDRUZENA BEOGRADSKA BANKA (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.) Lange Reihe 66, 2000 Hamburg 1, Germany [FRY S&M]
- UDRUZENA BEOGRADSKA BANKA (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.) Alt Moabit 74, 1000 Berlin 21, Germany [FRY S&M]
- UDRUZENA BEOGRADSKA BANKA (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.) 85-93/IV Zeil, 6000 Frankfurt am Main, Germany [FRY S&M]
- UDRUZENA BEOGRADSKA BANKA (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.) Uranis Strasse 14/III, 8001 Zurich, Switzerland [FRY S&M]
- UDRUZENA BEOGRADSKA BANKA (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.) 40 Rue de l'Ecuyer, BTE 8, 1000 Brussels, Belgium [FRY S&M]
- UDRUZENA BEOGRADSKA BANKA (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.) Tubingerstrasse 72, 7000 Stuttgart 1, Germany [FRY S&M]
- UDRUZENA BEOGRADSKA BANKA (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.) P.O. Box 2869, Tripoli, Libya [FRY S&M]
- UDRUZENA BEOGRADSKA BANKA (a.k.a. ASSOCIATED BELGRADE BANK; a.k.a. BEOBANKA d.d.; a.k.a. BEOGRADSKA BANKA d.d.) 71 Avenue des Champs-Elysees, 75008 Paris, France [FRY S&M]

UDRUZENA KOSOVSKA BANKA (a.k.a. ASSOCIATED BANK OF KOSOVO), all offices worldwide [FRY S&M], including, but not limited to:

- UDRUZENA KOSOVSKA BANKA, Rossmarkt 14/111, 6000 Frankfurt am Main 1, Germany [FRY S&M]
- UDRUZENA KOSOVSKA BANKA, Schauenbergstrasse 8, 8046 Zurich, Switzerland [FRY S&M]

UDRUZENJE YU VISA, Belgrade, Serbia [FRY S&M]

UGANDA LIBYAN HOLDING CO. LTD. (a.k.a. LIBYAN ARAB UGANDA HOLDING CO. LTD.), Kampala, Uganda [LIBYA]

UGUETO, Luis David (MOROS), Cyprus (individual) [LIBYA]

ULCINJ (n.k.a. NIPE) (9HTL3) Bulk Carrier 9,028GT Malta Flag (Lovcen Overseas Shipping Ltd.) (vessel) [FRY S&M]

UMM AL-JAWABY OIL SERVICE COMPANY, LTD., 33 Cavendish Square, London W1M 9HF, England [LIBYA]

UMM AL-JAWABY PETROLEUM CO. S.A.L., Nafoora Field, Libya [LIBYA]

UMM AL-JAWABY PETROLEUM CO. S.A.L., P.O. Box 693, Tripoli, Libya [LIBYA]

UMMA BANK S.A.L., (31 branches throughout Libya) [LIBYA]

UMMA BANK S.A.L., 1 Giaddat Omar Mokhtar, P.O. Box 685, Tripoli, Libya [LIBYA]

UNIFARM, Podgorica, Montenegro [FRY S&M]

UNION BANKA d.d., Belgrade, Serbia [FRY S&M]

UNIONPROMET, Novi Sad, Vojvodina (Serbia) [FRY S&M]

UNITED CONSULTING CO. LTD., Cester Ho, Third Fl., Lusaka, Zambia [FRY S&M]

UNITED FAIR AGENCIES, 1202 Caman Center, 151 Gloucester Road, Wanchai, Hong Kong [CUBA]

UNIVERSAL SHIPPING AGENCY, Benghazi, Libya [LIBYA]

UNIVERSAL SHIPPING AGENCY, Mersa El Brega, Libya [LIBYA]

UNIVERSAL SHIPPING AGENCY, Misurata, Libya [LIBYA]

UNIVERSAL SHIPPING AGENCY, Tripoli, Libya [LIBYA]

UNIVERSAL SHIPPING AGENCY, Zuetina, Libya [LIBYA]

UNIVERZAL, Belgrade, Serbia [FRY S&M]

UNIVERZAL, Mjevrosime 51, 11000 Belgrade, Serbia [FRY S&M]

UR (YIUR) Tug 368DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]

UTVA, Pancevo, Vojvodina (Serbia) [FRY S&M]

VALJAONICA ALUMINIJUMA, Sevojno Uzice, Serbia [FRY S&M]

VALLETTA SHIPPING CORP., Panama [CUBA]

VANGUARDS OF CONQUEST (a.k.a. JIHAD GROUP; a.k.a. AL-JIHAD; a.k.a. TALAA'AL AL-FATEH), Egypt [SDT]

VASIC, Zoran, Palmira Toljatija 3, 11070 Novi Beograd, Serbia (individual) [FRY S&M]

VASQUES (or VAZQUEZ), Oscar D., Panama (individual) [CUBA]

VAZ, Jose, Managing Director, Havana International Bank, 20 Ironmonger Lane, London EC2V 8EY, England (individual) [CUBA]

VEBA OIL LIBYA GMBH (a.k.a. VEBA OIL LIBYAN BRANCH; a.k.a. VEBA OIL OPERATIONS B.V.; f.k.a. MOBIL OIL LIBYA, LTD.), P.O. Box 2357, Tripoli, Libya [LIBYA]

VEBA OIL LIBYA GMBH (a.k.a. VEBA OIL LIBYAN BRANCH; a.k.a. VEBA OIL OPERATIONS B.V.; f.k.a. MOBIL OIL LIBYA, LTD.), Al Magharba Street, P.O. Box 690, Tripoli, Libya [LIBYA]

VEBA OIL LIBYA GMBH (a.k.a. VEBA OIL LIBYAN BRANCH; a.k.a. VEBA OIL OPERATIONS B.V.; f.k.a. MOBIL OIL LIBYA, LTD.), The Hague, Netherlands (Designation applies only to joint venture located in Libya and office located in the Netherlands) [LIBYA]

VEBA OIL LIBYAN BRANCH (a.k.a. VEBA OIL LIBYA GMBH; a.k.a. VEBA OIL OPERATIONS B.V.; f.k.a. MOBIL OIL LIBYA, LTD.), Al Magharba Street, P.O. Box 690, Tripoli, Libya (Designation applies only to joint venture located in Libya and office located in the Netherlands) [LIBYA]

VEBA OIL LIBYAN BRANCH (a.k.a. VEBA OIL LIBYA GMBH; a.k.a. VEBA OIL OPERATIONS B.V.; f.k.a. MOBIL OIL LIBYA, LTD.), The Hague, Netherlands (Designation applies only to joint venture located in Libya and office located in the Netherlands) [LIBYA]

VEBA OIL LIBYAN BRANCH (a.k.a. VEBA OIL LIBYA GMBH; a.k.a. VEBA OIL OPERATIONS B.V.; f.k.a. MOBIL OIL LIBYA, LTD.), P.O. Box 2357, Tripoli, Libya (Designation applies only to joint venture located in Libya and office located in the Neterlands) [LIBYA]

VEBA OIL OPERATIONS B.V. (a.k.a. VEBA OIL LIBYAN BRANCH; a.k.a. VEBA OIL LIBYA GMBH; f.k.a. MOBIL OIL LIBYA, LTD.), P.O. Box 2357, Tripoli, Libya (designation applies only to joint venture located in Libya and office located in the Netherlands) [LIBYA]

VEBA OIL OPERATIONS B.V. (a.k.a. VEBA OIL LIBYAN BRANCH; a.k.a. VEBA OIL LIBYA GMBH; f.k.a. MOBIL OIL LIBYA, LTD.), The Hague, Netherlands (Designation applies only to joint venture located in Libya and office located in the Netherlands) [LIBYA]

VEBA OIL OPERATIONS B.V. (a.k.a. VEBA OIL LIBYAN BRANCH; a.k.a. VEBA OIL LIBYA GMBH; f.k.a. MOBIL OIL LIBYA, LTD.), Al Magharba Street, P.O. Box 690, Tripoli, Libya (Designation applies only to joint venture located in Libya and office located in the Netherlands) [LIBYA]

VEDADO (f.k.a. DANILOVGRAD) (9HSZ3) Ore Carrier 15,396GT Malta Flag (Lovcen Overseas Shipping Ltd.) (vessel) [FRY S&M]

VELETRGOVINA, Kolasin, Montenegro [FRY S&M]

VELIMIR JAKIC, Pljevlja, Montenegro [FRY S&M]

VERIMPEX GMBH - IMPORT AND EXPORT, Bohmerstrasse 6, 6000 Frankfurt am Main 1, Germany [FRY S&M]

VETPROM, Belgrade, Serbia [FRY S&M]

VIACON INTERNATIONAL, INC., Apartment 7B Torre Mar Building, Punta Paitilla Area, Panama City, Panama [CUBA]

VIACON INTERNATIONAL, INC., France Field, Colon Free Zone, Panama [CUBA]

VIAJES GUAMA, S.A., Spain [CUBA]

VIAJES GUAMA TOURS (a.k.a. AGENCIA DE VIAJES GUAMA; a.k.a. GUAMA TOUR; a.k.a. GUAMATUR, S.A.), Bal Harbour Shopping Center, Via Italia, Panama City, Panama [CUBA]
VINALES TOURS, Cancun, Mexico [CUBA]
VINALES TOURS, Guadalajara, Mexico [CUBA]
VINALES TOURS, Mexico City, Mexico [CUBA]
VINALES TOURS, Monterey, Mexico [CUBA]
VINALES TOURS, Roma, Mexico [CUBA]
VIOLET ISLANDS (Violet Navigation Co., Cyprus) (vessel) [CUBA]
VIOLET NAVIGATION CO., LTD., Limassol, Cyprus [CUBA]
VIRPAZAR (n.k.a. MOA) (9HTM3) General Dry Cargo 9,201GT Malta Flag (Bar Overseas Shipping Ltd.) (vessel) [FRY S&M]
VISCOSE AND CELLULOSE INDUSTRY OF LOZNICA (a.k.a. VISKOZA - LOZNICA), Loznica, Serbia [FRY S&M]
VISKOZA - LOZNICA (a.k.a. VISCOSE AND CELLULOSE INDUSTRY OF LOZNICA), Loznica, Serbia [FRY S&M]
VOCARCOOP - UNION, Belgrade, Serbia [FRY S&M]
VOJVODINA - SREMSKA MITROVICA, Sremska Mitrovica, Vojvodina (Serbia) [FRY S&M]
VOJVODINA TOURS, Novi Sad, Vojvodina (Serbia) [FRY S&M]
VOJVODINA BANK-ASSOCIATED BANK, NOVI SAD (n.k.a. VOJVODJANSKA BANKA, d.d.; n.k.a. BANK OF VOJVODINA), all offices worldwide, including, but not limited to:
- VOJVODINA BANK-ASSOCIATED BANK, NOVI SAD (n.k.a. VOJVODJANSKA BANKA, d.d.; n.k.a. BANK OF VOJVODINA), P.O. Box 391, Bulevar Marsala Tita 14, 21001 Novi Sad, Vojvodina, Serbia [FRY S&M]
- VOJVODINA BANK-ASSOCIATED BANK, NOVI SAD (n.k.a. VOJVODJANSKA BANKA, d.d.; n.k.a. BANK OF VOJVODINA), Langham House, 308 Regent Street, London, W1R 5AL, England [FRY S&M]
- VOJVODINA BANK-ASSOCIATED BANK, NOVI SAD (n.k.a. VOJVODJANSKA BANKA, d.d.; n.k.a. BANK OF VOJVODINA), Kaiser Strasse 3, 6000 Frankfurt am Main, Germany [FRY S&M]

VOJVODJANSKA BANKA, d.d. (a.k.a. BANK OF VOJVODINA, f.k.a. VOJVODINA BANK-ASSOCIATED BANK, NOVI SAD), all offices worldwide, including, but not limited to:
- VOJVODJANSKA BANKA, d.d. (a.k.a. BANK OF VOJVODINA, f.k.a. VOJVODINA BANK-ASSOCIATED BANK, NOVI SAD), P.O. Box 391, Bulevar Marsala Tita 14, 21001 Novi Sad, Vojvodina, Serbia [FRY S&M]
- VOJVODJANSKA BANKA, d.d. (a.k.a. BANK OF VOJVODINA, f.k.a. VOJVODINA BANK-ASSOCIATED BANK, NOVI SAD), Langham House, 308 Regent Street, London, W1R 5AL, England [FRY S&M]
- VOJVODJANSKA BANKA, d.d. (a.k.a. BANK OF VOJVODINA, f.k.a. VOJVODINA BANK-ASSOCIATED BANK, NOVI SAD), Kaiser Strasse 3, 6000 Frankfurt am Main, Germany [FRY S&M]

VOLAS, Cedo, President of Alliance of SRBH Trade Unions, Bosnia-Herzegovina (individual) [SRBH]
VRACAR, Milenko, a Governor of SRBH National Bank, Bosnia-Herzegovina (individual) [SRBH]
VRSACKA BANKA d.d., Vrsac, Serbia [FRY S&M]
VUCIC, Borka, 2 Knez Mihajlova, 1000 Belgrade, Serbia (individual) [FRY S&M]
VUCUREVIC, Bozidar, Deputy in SRBH Assembly, Mayor of Trebinje, DOB 22 Sep 36, POB Trebinje, Bosnia-Herzegovina, Trebinje, Bosnia-Herzegovina (individual) [SRBH]
VUJNOVIC, Miorad, DOB 20 Mar 57, 21 Kosta Ourani Street, P.O. Box 3410, Limassol, Cyprus (address of INPEA (OVERSEAS) HOLDING LTD of Limassol) (individual) [FRY S&M]
VUKOVARSKA BANKA DD, Vukovar, Croatia [FRY S&M]
VUKOVIC, Vlado, Assistant Minister of Defense of SRBH, POB Doboj Region, Bosnia-Herzegovina, Bosnia-Herzegovina (individual) [SRBH]
VULCAN OIL S.P.A., Delta Energy/ERG bunkering service, Genoa, Italy [LIBYA]
VULCAN OIL S.P.A., Milano 2, Centro Direz. Pal. Canova, 20090 Segrate, Milan, Italy [LIBYA]
VULCAN OIL S.P.A., United Kingdom (offshore) [LIBYA]
VUNKO, Bijelo Polje, Montenegro [FRY S&M]
VUP, Danilovgrad, Montenegro [FRY S&M]
WADENA SHIPPING CORP., Monrovia, Liberia [CUBA]
WAHA OIL COMPANY, Inas Building, Omar El Mokhtar Street, Box 395, Tripoli, Libya [LIBYA]
WAHA OIL COMPANY, P.O. Box 1075, Tripoli, Libya [LIBYA]
WAHA OIL COMPANY, P.O. Box 221, Benghazi, Libya [LIBYA]
WAHA OIL COMPANY, Sidi Issa Street, P.O. Box 915, Tripoli, Libya [LIBYA]
WAHDA BANK, (37 branches throughout Libya) [LIBYA]
WAHDA BANK, Jamel Abdul Nasser Street, P.O. Box 452, Fadiel Abu Omar Square, El-Berhka, Benghazi, Libya [LIBYA]
WAHDA BANK, P.O. Box 1320, Benghazi, Libya [LIBYA]
WAHDA BANK, P.O. Box 3427, Tripoli, Libya [LIBYA]
WEAVING, DYEING AND FINISHING PLANT, Libya [LIBYA]
WEST ISLANDS (West Islands Shipping Co., Cyprus) (vessel) [CUBA]
WEST ISLANDS SHIPPING CO., Limassol, Cyprus [CUBA]
WHALE SHIPPING LTD., c/o Government of Iraq, State Organization of Ports, Maqal, Basrah, Iraq [IRAQ]
WHITESWAN SHIPPING CO., LTD., Limassol, Cyprus [CUBA]
WITTGREEN, Carlos (a.k.a. Carlos WITTGREEN Antinori; a.k.a. Carlos WITTGREEN A.; a.k.a. Carlos Antonio WITTGREEN), Panama (individual) [CUBA]
WOOL AND TEXTILE INDUSTRY OF LESKOVAC (a.k.a. LETEKS - LESKOVAC), Leskovac, Serbia [FRY S&M]
WOOL WASHING AND SPINNING PLANT, Marj, Libya [LIBYA]
WORK BOAT No. 6 (N/A) Barge DWT N/A Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
WORKSHIP 3 (N/A) Service DWT N/A Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
YAM, Melvia Isabel Gallegos, Merida, Mexico (individual) [CUBA]
YAMARU TRADING CO., LTD., Tokyo, Japan [CUBA]
YANBU 31 (N/A) Service DWT N/A Saudi Arabian flag (Iraqi State Company for Oil Projects) (vessel) [IRAQ]
YASIN, Shaykh Ahmad, Founder and Chief Ideological Figure of HAMAS, DOB 1931 (individual) [SDT]
YATZO Group, Serbia [FRY S&M]
YES HOLDING INTERNATIONAL LTD., Archbishop Makarios III Avenue, Xenios Commercial Center, 5th Floor, No. 501, Nicosia, Cyprus [FRY S&M]
YESIC LTD., 57 Ledra Street, Nicosia, Cyprus [FRY S&M]
YOUGO-ARAB COMPANY LTD, 58-60 Dighenis Akritas Avenue, Ghinis Building, 3rd, 8th, and 9th Floors, P.O. Box 2217, Nicosia, Cyprus [FRY S&M]
YOUSEF, Mohamed T., Libya (individual) [LIBYA]
YOUSIFAN (YIYN) Tug 386DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
YU KOMERC B.K., Jevrejska ul. 7, 11000 Beograd, Serbia [FRY S&M]
YU POINT LTD., all offices worldwide [FRY S&M]
YUCHI, Kunlun Hotel, 2 Xin Nan Lu Chao Yang District, Beijing, China [FRY S&M]
YUCICO (a.k.a. YUCYCO), 66 Archbishop Makarios III Avenue, Cronos Court II, Nicosia, Cyprus [FRY S&M]
YUCYCO (a.k.a. YUCICO), 66 Archbishop Makarios III Avenue, Cronos Court II, Nicosia, Cyprus [FRY S&M]
YUGO CANADA INC. (a.k.a. YUGOCANADA INC. TORONTO; a.k.a. YUGOTOURS OF CANADA), 100 Adelaide Street W. Ste. 1350, Toronto, Ontario M5H 1S3, Canada [FRY S&M]
YUGO CARS (a.k.a. ZASTAVA (GB) LTD.), Gloucester House, Basingstoke Road, Reading, Berkshire, RG2 OQW England [FRY S&M]
YUGOBANKA (a.k.a. BANK FOR FOREIGN TRADE AD; a.k.a. JUGOBANKA; a.k.a. JUGOBANKA d.d.), all offices worldwide [FRY S&M] including, but not limited to:
- YUGOBANKA (a.k.a. BANK FOR FOREIGN TRADE AD; a.k.a. JUGOBANKA; a.k.a. JUGOBANKA d.d.), Argentinenstrasse 22/II/4-11, 1040 Vienna, Austria [FRY S&M]
- YUGOBANKA (a.k.a. BANK FOR FOREIGN TRADE AD; a.k.a. JUGOBANKA; a.k.a. JUGOBANKA d.d.), Salisbury House, First Floor (Rooms 378-379), London, EC2M5RT, England [FRY S&M]
- YUGOBANKA (a.k.a. BANK FOR FOREIGN TRADE AD; a.k.a. JUGOBANKA; a.k.a. JUGOBANKA d.d.), 25, Rue Lauriston, 75116 Paris, France [FRY S&M]
- YUGOBANKA (a.k.a. BANK FOR FOREIGN TRADE AD; a.k.a. JUGOBANKA; a.k.a. JUGOBANKA d.d.), Kurfurstenstrasse 106/II, 1000 Berlin 30, Germany [FRY S&M]
- YUGOBANKA (a.k.a. BANK FOR FOREIGN TRADE AD; a.k.a. JUGOBANKA; a.k.a. JUGOBANKA d.d.), Klosterstrasse 34/I, 4000 Dusseldorf, Germany [FRY S&M]
- YUGOBANKA (a.k.a. BANK FOR FOREIGN TRADE AD; a.k.a. JUGOBANKA; a.k.a. JUGOBANKA d.d.), Goether Strasse 2/II, 6000 Frankfurt am Main I, Germany [FRY S&M]
- YUGOBANKA (a.k.a. BANK FOR FOREIGN TRADE AD; a.k.a. JUGOBANKA; a.k.a. JUGOBANKA d.d.), Schiedusenbruecke 1-4, 2000 Hamburg 36, Germany [FRY S&M]
- YUGOBANKA (a.k.a. BANK FOR FOREIGN TRADE AD; a.k.a. JUGOBANKA; a.k.a. JUGOBANKA d.d.), Georgestrasse 36/3, 3000 Hannover, Germany [FRY S&M]
- YUGOBANKA (a.k.a. BANK FOR FOREIGN TRADE AD; a.k.a. JUGOBANKA; a.k.a. JUGOBANKA d.d.), c/o BFG M-7 m No 16-17, 6800 Mannheim, Germany [FRY S&M]
- YUGOBANKA (a.k.a. BANK FOR FOREIGN TRADE AD; a.k.a. JUGOBANKA; a.k.a. JUGOBANKA d.d.), Sonnenstrasse 12/III, 8000 Munich, Germany [FRY S&M]
- YUGOBANKA (a.k.a. BANK FOR FOREIGN TRADE AD; a.k.a. JUGOBANKA; a.k.a. JUGOBANKA d.d.), Am Plaerer 2, 8500 Nuremberg, Germany [FRY S&M]
- YUGOBANKA (a.k.a. BANK FOR FOREIGN TRADE AD; a.k.a. JUGOBANKA; a.k.a. JUGOBANKA d.d.), Koenigstrasse 54/8, 7000 Stuttgart 1, Germany [FRY S&M]
- YUGOBANKA (a.k.a. BANK FOR FOREIGN TRADE AD; a.k.a. JUGOBANKA; a.k.a. JUGOBANKA d.d.), c/o Yugoslav Chamber of Economy, Saadoun Str., Shalen Bldg., Baghdad, Iraq [FRY S&M]
- YUGOBANKA (a.k.a. BANK FOR FOREIGN TRADE AD; a.k.a. JUGOBANKA; a.k.a. JUGOBANKA d.d.), P.O. Box 2869, Tripoli, Libya [FRY S&M]
- YUGOBANKA (a.k.a. BANK FOR FOREIGN TRADE AD; a.k.a. JUGOBANKA; a.k.a. JUGOBANKA d.d.), Singel 512, Amsterdam 1017 AX, Netherlands [FRY S&M]
- YUGOBANKA (a.k.a. BANK FOR FOREIGN TRADE AD; a.k.a. JUGOBANKA; a.k.a. JUGOBANKA d.d.), Kungsgatan 55/3, 11122 Stockholm, Sweden [FRY S&M]
- YUGOBANKA (a.k.a. BANK FOR FOREIGN TRADE AD; a.k.a. JUGOBANKA; a.k.a. JUGOBANKA d.d.), Zweierstrasse 169/1, 8003 Zurich, Switzerland [FRY S&M]

YUGOBANKA (a.k.a. BANK FOR FOREIGN TRADE AD-SKOPJE; a.k.a. JUGOBANKA; a.k.a. JUGOBANKA d.d.), Skopje, Former Yugoslav Republic of Macedonia [FRY S&M]
YUGOCANADA INC. TORONTO (a.k.a. YUGO CANADA INC.; a.k.a. YUGOTOURS OF CANADA), 100 Adelaide Street W. Ste. 1350, Toronto, Ontario M5H 1S3, Canada [FRY S&M]
YUGOEXPORT, New York, NY, U.S.A. [FRY S&M]
YUGOMONTANA (a.k.a. JUGOMONTANA), Belgrade, Serbia [FRY S&M]

YUGOSLAV AIRLINES (a.k.a. JAT; a.k.a. JAVNO PREDUZECE ZA VAZDUSNI SAOBRACAJ; a.k.a. JUGOSLOVENSKI AEROTRANSPORT), Belgrade, Serbia, all offices worldwide [FRY S&M]
YUGOSLAV BANK FOR INTERNATIONAL ECONOMIC COOPERATION (a.k.a. JUGOSLOVENSKA BANKA ZA MEDJUNARODNU EKONOMSKU SARADNJU; a.k.a. YUBMES), all offices worldwide [FRY S&M]
YUGOSLAV EXPORT AND CREDIT BANK INC. (a.k.a. JIK BANKA d.d.; a.k.a. JUGOSLOVENSKA IZVOZNA I KREDITNA BANKA d.d.), P.O. Box 234, Knez Mihailova 42, 11000 Belgrade, Serbia [FRY S&M], all offices worldwide, including, but not limited to:
- YUGOSLAV EXPORT AND CREDIT BANK INC (a.k.a. JIK BANKA d.d.; a.k.a. JUGOSLOVENSKA IZVOZNA I KREDITNA BANKA d.d.), Via Carducci 20-II, Piano Scala A, 1-34122 Trieste, Italy [FRY S&M]
- YUGOSLAV EXPORT AND CREDIT BANK INC (a.k.a. JIK BANKA d.d.; a.k.a. JUGOSLOVENSKA IZVOZNA I KREDITNA BANKA d.d.), Mohren Strasse 17/III, Berlin, Germany [FRY S&M]

YUGOSLAV NATIONAL ARMY (a.k.a. JUGOSLOVENSKA NARODNA ARMIJA; a.k.a. JNA), Belgrade, Serbia [FRY S&M]
YUGOSLAV OCEAN LINES (a.k.a. JOP; a.k.a. JUGOOCEANIJA; a.k.a. JUGOSLAVENSKA OCEANSKA PLOVIDBA BB), Njegoseva, P.O. Box 18, 85330 Kotor, Montenegro [FRY S&M]
YUGOSLAV POST, TELEGRAPH AND TELEPHONE (a.k.a. PTT JUGOSLAVIJE) (including all Serbian and Montenegrin affiliates), Belgrade, Serbia [FRY S&M]
YUGOSLAV SHIPPING AGENCY (a.k.a. JUGOSLOVENSKA POMORSKA AGENCIJA), Belgrade, Serbia [FRY S&M]
YUGOSLAVIA COMMERCE, Belgrade, Serbia [FRY S&M]
YUGOTOURS, Belgrade, Serbia [FRY S&M], all offices worldwide, including, but not limited to:
- YUGOTOURS (a.k.a. GENERALEXPORT PRAGUE), Stepanska 57/II, 11000 Prague, Czech Republic [FRY S&M]
- YUGOTOURS, Noerrebrogade 26, 2200 Copenhagen N, Denmark [FRY S&M]
- YUGOTOURS, 39 avenue de Friedland, 75008 Paris, France [FRY S&M]
- YUGOTOURS, Wilmerdorfer Strasse 134, D-1000 Berlin 12, Germany [FRY S&M]
- YUGOTOURS, Huttenstrasse 3, 4000 Dusseldorf 1, Germany [FRY S&M]
- YUGOTOURS, Schwanthalerstrasse 83, 8000 Munich 2, Germany [FRY S&M]
- YUGOTOURS, Steinstrasse 15, 7000 Stuttgart 1, Germany [FRY S&M]
- YUGOTOURS (a.k.a. CENTROPRODUCT), Eisenberg Business Center, House Asia, Tel Aviv, Israel [FRY S&M]
- YUGOTOURS (a.k.a. CENTROPRODUCT, BARI), Via Principe Amedeo 25, 70121 Bari, Italy [FRY S&M]
- YUGOTOURS (a.k.a. CENTROPRODUCT S.R.L.), Via Agnello 2, 20121 Milan, Italy [FRY S&M]
- YUGOTOURS (a.k.a. CENTROPRODUCT, ROME), Via Bissolati 76, 00187, Rome, Italy [FRY S&M]

YUGOTOURS A.B., Sveavagen 59, 113 59 Stockholm, Sweden [FRY S&M]
YUGOTOURS A.G., Militaerstrasse 90, 8004 Zurich, Switzerland [FRY S&M]
YUGOTOURS AB, P.O. Box 3097, Olof Palmes Gata 24, 10361 Stockholm, Sweden [FRY S&M]
YUGOTOURS B.V., Buitenveldertselaan 6, 1025 EX Amsterdam, Netherlands [FRY S&M]
YUGOTOURS GMBH, Post Office Box 16848, Windmuehlstrasse 1, 6000 Frankfurt am Main 1, Germany [FRY S&M]
YUGOTOURS LTD., 115 Bath Street, Glasgow, Scotland G2 2SZ [FRY S&M]
YUGOTOURS LTD., 37a Great Charles Street, York House, Birmingham, B3 3JY, England [FRY S&M]
YUGOTOURS LTD. (a.k.a. MEDCHOICE HOLIDAYS LTD.), Chesham House, 150 Regent Street, London W1R 6BB, England [FRY S&M]
YUGOTOURS LTD., Cheshire House, 18/20 Booth Street, Manchester M2 4AN, England [FRY S&M]
YUGOTOURS OF CANADA (a.k.a. YUGOCANADA INC. TORONTO; a.k.a. YUGO CANADA INC.), 100 Adelaide Street W, Ste. 1350, Toronto, Ontario M5H 1S3, Canada [FRY S&M]
YUGOTOURS-REISEN GMBH, Kaerntnerstrasse 26, Vienna, Austria [FRY S&M]
YUGOTOURS S.A., Rue de Princes 8-10, 1000 Brussels, Belgium [FRY S&M]
YUGOTOURS S.A.R.L. (a.k.a. CENTROPRODUCT, S.A.R.L.), 39 avenue de Friedland, 75008 Paris, France [FRY S&M]
YUMBES (a.k.a. JUGOSLOVENSKA BANKA ZA MEDJUNARODNU EKONOMSKU SARADNJU; a.k.a. YUGOSLAV BANK FOR INTERNATIONAL ECONOMIC COOPERATION), all offices worldwide [FRY S&M]
YUNIVERSAL, Singer Strasse 2/15, 1010 Vienna, Austria [FRY S&M]
YUSACO, Serbia [FRY S&M]
ZAHRAN, Yousuf, P.O. Box 1318, Amman, Jordan (individual) [IRAQ]
ZAIN AL QAWS(HNZQ) Cargo 9,247DWT Iraqi flag (Iraqi State Enterprise for Water Transport) (vessel) [IRAQ]
ZAINAL, Akram, Chairman and General Manager of AGRICULTURAL CO-OPERATIVE BANK, Iraq (individual) [IRAQ]*
ZAJEDNICA JUGOSLOVENSKIH ZELEZNICA (a.k.a. ASSOCIATION OF YUGOSLAV RAILWAYS), Belgrade, Serbia [FRY S&M]
ZAMBIA ENGINEERING AND CONTRACTING CO., Zecco Bldg, Mukwa Road, Lusaka, Zambia [FRY S&M]
ZAMETICA, Jovan, Advisor and Spokesman for President of SRBH, Bosnia-Herzegovina (individual) [SRBH]
ZAMZAM (YIAZ) Tanker 544DWT Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
ZANOOBIA (HNZN) Cargo 3,549DWT Iraqi flag (Iraqi State Enterprise for Water Transport Represented by Ceylon Shipping Co., Colombo, Sri Lanka) (vessel) [IRAQ]
ZASTAVA (a.k.a. AUTOMOBILE INDUSTRY - CRVENA ZASTAVA; a.k.a. ZAVODI CRVENA ZASTAVA - KRAGUJEVAC), Kragujevac, Serbia [FRY S&M]
ZASTAVA (GB) LTD. (a.k.a. YUGO CARS), Gloucester House, Basingstoke Road, Reading, Berkshire, RG2 0QW England [FRY S&M]
ZASTAVA IMPEX, Belgrade, Serbia [FRY S&M]
ZASTAVA JUGO AUTOMOBILI, Kragujevac, Serbia [FRY S&M]
ZASTAVA-PRIVREDNA VOZILA, Kragujevac, Serbia [FRY S&M]
ZAVOD ZA E. EKSP., Belgrade, Serbia [FRY S&M]
ZAVODI CRVENA ZASTAVA - KRAGUJEVAC (a.k.a. AUTOMOBILE INDUSTRY - CRVENA ZASTAVA; a.k.a. ZASTAVA), Kragujevac, Serbia [FRY S&M]
ZAYDAN, Muhammad (a.k.a. ABBAS, Abu), Director of PALESTINE LIBERATION FRONT - ABU ABBAS FACTION, DOB 10 Dec 1948 (individual) [SDT]
ZCZ/YUGOMEDICA, Kragujevac, Serbia [FRY S&M]
ZDRAVLJE, Leskovac, Serbia [FRY S&M]
ZECEVIC, Miodrag, Banque Franco Yugoslav, 18 Rue de Tilsitt, 75017 Paris, France (individual) [FRY S&M]
ZELATRANS, Podgorica, Montenegro [FRY S&M]
ZELENGORA, Belgrade, Serbia [FRY S&M]
ZELEZARA BORIS KIDRIC, Niksic, Montenegro [FRY S&M]
ZELEZNICKO TRANSPORTNO PREDUZECE BEOGRAD (a.k.a. BELGRADE RAILROAD TRANSPORTATION ORGANIZATION), Belgrade, Serbia [FRY S&M]
ZELEZNICKO TRANSPORTNO PREDUZECE CRNE GORE (a.k.a. MONTENEGRIN RAILROAD TRANSPORTATION ORGANIZATION), Montenegro [FRY S&M]
ZELEZNICKO TRANSPORTNO PREDUZECE NOVI SAD (a.k.a. NOVI SAD RAILROAD TRANSPORTATION ORGANIZATION), Novi Sad, Vojvodina (Serbia) [FRY S&M]
ZELEZNICKO TRANSPORTNO PREDUZECE SRBIJE (a.k.a. SERBIAN RAILROAD TRANSPORTATION ORGANIZATION) Belgrade, Serbia [FRY S&M]
ZELJAJA, Radmilo; Colonel and Commander, Forty-third Motorized Brigade, First Krajina Corps, SRBH Forces; Bosnia-Herzegovina (individual) [SRBH]
ZETA (9HTV3) General Dry Cargo 9,862GT Malta Flag (South Cross Shipping Ltd.) (vessel) [FRY S&M]
ZETA OCEAN SHIPPING LTD., Valletta, Malta, c/o Jugoslavenska Oceanska Plovidba BB, Njegoseva, P.O. Box 18, 85330 Kotor, Montenegro [FRY S&M]
ZIGIC, Branislava; Secretary of Ministry of Trade and Supply of SRBH; Bosnia-Herzegovina (individual) [SRBH]
ZIVANOVIC, Milenko; Major General and Commander, Drina Corps, SRBH Forces; Bosnia-Herzegovina (individual) [SRBH]
ZLITEN FODDER PLANT, Libya [LIBYA]
ZLITEN GRAIN MILL, Libya [LIBYA]
ZLITNI, Dr. Abdul Hafid Mahmoud, Abu Dhabi, U.A.E. (individual) [LIBYA]
ZLITNI, Dr. Abdul Hafid Mahmoud, Tripoli, Libya (individual) [LIBYA]
ZORKA, Sabac, Serbia [FRY S&M]
ZTP BELGRADE, Belgrade, Serbia [FRY S&M]
ZTP, Podgorica, Montenegro [FRY S&M]
ZUBAIDY (YIBO) Fish DWT N/A Iraqi flag (State Org. of Iraqi Ports) (vessel) [IRAQ]
ZUEITINA OIL COMPANY, Gas Processing Plants, Tripoli, Libya [LIBYA]
ZUEITINA OIL COMPANY, Mitchell Cotts Building, P.O. Box 2134, Tripoli, Libya [LIBYA]
ZUEITINA OIL COMPANY, Plant at Intisar Field A, Tripoli, Libya [LIBYA]
ZUEITINA OIL COMPANY, Zueitina Building "A," Sidi Issa, Dahra, P.O. Box 2134, Tripoli, Libya [LIBYA]
ZUGHAID, Hassan Senoussi, 15/17 Lodge Road, St. Johns Wood, London NW8 7JA, England (individual) [LIBYA]
ZUKOVIC, Ljubomir; Minister of Education, Science, and Culture of SRBH; Bosnia-Herzegovina (individual) [SRBH]
ZUMAR, Colonel Abbud (a.k.a. AL-ZUMAR, Abbud); Factional Leader of JIHAD GROUP; Egypt; POB Egypt (individual) [SDT]
ZUPA - KRUSEVAC, Krusevac, Serbia [FRY S&M]
ZUPLJANIN, Stobodan; Lt. Colonel and Commander, Twenty-second Infantry Brigade, First Krajina Corps, SRBH Forces; Bosnia-Herzegovina (individual) [SRBH]

* No U.S. person may deal with any Libyan or Iraqi government official whether his name appears on this list or not. As a service to the users of this list, a few of Libya's and Iraq's highest-level government officials have been listed as SDN's of Libya and Iraq. This is not an exhaustive list of Libyan or Iraqi government officials, and the absence of the name of a Libyan or Iraqi government official from this list does not relieve U.S. persons from the responsibility to refrain from dealing with that official.

President Clinton signed an Executive Order, effective January 24, 1995, "Prohibiting Transactions with Terrorists Who Threaten to Disrupt the Middle East Peace Process." "[SDT]" stands for "Specially Designated Terrorist."

U.S. financial institutions may now rely on originators or beneficiaries of funds transfers with regard to compliance with sanctions against North Korea and are authorized by general license to process the post-February 14, 1995 transfer of funds in which North Korea or a national thereof has an interest. Persons subject to U.S. jurisdiction who are originators or ultimate beneficiaries of such funds transfers, however, including U.S. banking institutions that are themselves originators or beneficiaries, may not initiate or receive such transfers if the underlying transactions to which they relate are prohibited.

Specific licenses may be issued on a case-by-case basis to authorize the unblocking of funds that were blocked by financial institutions pursuant to this part because of an interest of North Korea or a national thereof, that came into the financial institution's possession or control by wire transfer or check remittance prior to the effective date of the general license authorizing such activity. Such licenses will only authorize the return of funds to remitting parties, provided that no funds are released to the Government of North Korea, to any entity controlled by the Government of North Korea, to any person located in or controlled from North Korea, or to any entity organized under the laws of North Korea.

AUCTION RESULTS

PUBLIC DEBT NEWS

Department of the Treasury • Bureau of the Public Debt • Washington, DC 20239

JUL 3 1995 0001806 DEPT. OF THE TREASURY

FOR IMMEDIATE RELEASE
June 27, 1995

CONTACT: Office of Financing
202-219-3350

RESULTS OF TREASURY'S AUCTION OF 2-YEAR NOTES

Tenders for $17,753 million of 2-year notes, Series AF-1997, to be issued June 30, 1995 and to mature June 30, 1997 were accepted today (CUSIP: 912827U34).

The interest rate on the notes will be 5 5/8%. All competitive tenders at yields lower than 5.690% were accepted in full. Tenders at 5.690% were allotted 3%. All noncompetitive and successful competitive bidders were allotted securities at the yield of 5.690%, with an equivalent price of 99.879. The median yield was 5.660%; that is, 50% of the amount of accepted competitive bids were tendered at or below that yield. The low yield was 5.630%; that is, 5% of the amount of accepted competitive bids were tendered at or below that yield.

TENDERS RECEIVED AND ACCEPTED (in thousands)

	Received	Accepted
TOTALS	$42,314,722	$17,753,477

The $17,753 million of accepted tenders includes $914 million of noncompetitive tenders and $16,839 million of competitive tenders from the public.

In addition, $780 million of tenders was awarded at the high yield to Federal Reserve Banks as agents for foreign and international monetary authorities. An additional $692 million of tenders was also accepted at the high yield from Federal Reserve Banks for their own account in exchange for maturing securities.

RR-396

DEPARTMENT OF THE TREASURY

TREASURY NEWS

OFFICE OF PUBLIC AFFAIRS • 1500 PENNSYLVANIA AVENUE, N.W. • WASHINGTON, D.C. • 20220 • (202) 622-2960

FOR RELEASE AT 2:30 P.M.
June 27, 1995

CONTACT: Office of Financing
202/219-3350

TREASURY'S WEEKLY BILL OFFERING

The Treasury will auction two series of Treasury bills totaling approximately $27,200 million, to be issued July 6, 1995. This offering will provide about $825 million of new cash for the Treasury, as the maturing bills are outstanding in the amount of $26,365 million.

Federal Reserve Banks hold $7,038 million of the maturing bills for their own accounts, which may be refunded within the offering amount at the weighted average discount rate of accepted competitive tenders.

Federal Reserve Banks hold $2,838 million as agents for foreign and international monetary authorities, which may be refunded within the offering amount at the weighted average discount rate of accepted competitive tenders. Additional amounts may be issued for such accounts if the aggregate amount of new bids exceeds the aggregate amount of maturing bills.

Tenders for the bills will be received at Federal Reserve Banks and Branches and at the Bureau of the Public Debt, Washington, D. C. Due to the early closing of the securities market on July 3, the closing times for the auction will be 11:30 a.m. EDST for noncompetitive tenders and 12:00 noon EDST for competitive tenders. This offering of Treasury securities is governed by the terms and conditions set forth in the Uniform Offering Circular (31 CFR Part 356) for the sale and issue by the Treasury to the public of marketable Treasury bills, notes, and bonds.

Because of the Federal holiday on July 4, the offering announcement for the weekly bills to be issued on July 13, 1995, will be made on Monday, July 3.

Details about each of the new securities are given in the attached offering highlights.

oOo

Attachment

HIGHLIGHTS OF TREASURY OFFERINGS OF WEEKLY BILLS
TO BE ISSUED JULY 6, 1995

June 27, 1995

Offering Amount	$13,600 million	$13,600 million
Description of Offering:		
Term and type of security	91-day bill	182-day bill
CUSIP number	912794 V2 7	912794 W4 2
Auction date	July 3, 1995	July 3, 1995
Issue date	July 6, 1995	July 6, 1995
Maturity date	October 5, 1995	January 4, 1996
Original issue date	April 6, 1995	July 6, 1995
Currently outstanding	$12,206 million	- - -
Minimum bid amount	$10,000	$10,000
Multiples	$ 1,000	$ 1,000

The following rules apply to all securities mentioned above:

Submission of Bids:

Noncompetitive bids . . . . Accepted in full up to $1,000,000 at the average discount rate of accepted competitive bids

Competitive bids . . . . (1) Must be expressed as a discount rate with two decimals, e.g., 7.10%.
(2) Net long position for each bidder must be reported when the sum of the total bid amount, at all discount rates, and the net long position is $2 billion or greater.
(3) Net long position must be determined as of one half-hour prior to the closing time for receipt of competitive tenders.

Maximum Recognized Bid at a Single Yield . . . . 35% of public offering

Maximum Award . . . . 35% of public offering

Receipt of Tenders:

Noncompetitive tenders . . . . Prior to 11:30 a.m. Eastern Daylight Saving time on auction day

Competitive tenders . . . . Prior to 12:00 noon Eastern Daylight Saving time on auction day

Payment Terms . . . . Full payment with tender or by charge to a funds account at a Federal Reserve Bank on issue date

DEPARTMENT OF THE TREASURY

TREASURY NEWS

OFFICE OF PUBLIC AFFAIRS • 1500 PENNSYLVANIA AVENUE, N.W. • WASHINGTON, D.C. • 20220 • (202) 622-2960

For Release Upon Delivery
Expected at 10:00 A.M.
June 28, 1995

STATEMENT OF
J. MARK IWRY
BENEFITS TAX COUNSEL
DEPARTMENT OF THE TREASURY
BEFORE THE
SUBCOMMITTEE ON TAXATION AND FINANCE
COMMITTEE ON SMALL BUSINESS
UNITED STATES HOUSE OF REPRESENTATIVES

Madame Chair and distinguished Members of the Subcommittee:

I am pleased to present the views of the Treasury Department on the impact of payroll taxes on small business. The Administration recognizes the importance of small business to the economy and has strongly supported, and will continue to support, the goal of assisting and strengthening small business. The growth of small businesses is an important objective for this Administration, and we are continually exploring ways to reduce their tax and compliance burdens.

Payroll taxes are the means used to finance the Nation's vital social insurance programs. The revenues collected are transferred directly into trust funds and are used to provide retirement, survivors, disability, health, and (in conjunction with state programs) unemployment compensation benefits for millions of Americans. Currently, over half of the elderly rely on Social Security retirement benefits to keep from living in poverty.

The future financial condition of these programs is extremely important. As you know, the Federal Old-Age and Survivors Insurance program and the Federal Disability Insurance program (OASDI) is projected to be in long-term deficit, although the outlook through roughly the first quarter of the 21st century is still good. Last year, the Secretary of Health and Human Services appointed the Quadrennial Advisory Council on Social Security and charged it with addressing the long-range financial status of the OASDI program. The Advisory Council is expected to complete its work later this year, and we look forward to its findings and recommendations.

Brief Overview of Federal Payroll Taxes

The first Social Security Act was enacted in 1935 and included, among other elements, programs providing benefits for retirement and unemployment. The Medicare program was added in the Social Security Act of 1965. The Social Security programs include the Federal Old-Age and Survivors Insurance program

RR 398

(OASI) and the Federal Disability Insurance program (DI). Each of these programs, as well as the Federal Hospital Insurance program (HI) (often referred to as Medicare "Part A") is funded through a separate trust fund. Currently, the programs are almost completely funded from payroll taxes paid by employers, employees, and the self-employed pursuant to the Federal Insurance Contributions Act (FICA) and the Self-Employment Contributions Act (SECA). In addition, unemployment insurance benefits are provided under a Federal-State unemployment compensation system.[1]

FICA imposes a tax on employees and employers that applies to earnings from covered employment. The tax under FICA includes OASDI and HI. OASDI is imposed on earnings up to a maximum annual dollar amount, i.e., the taxable wage base, which is $61,200 for 1995. The taxable wage base changes automatically each year pursuant to a statutory formula. The employer and employee each pay a tax of 6.2 percent of earnings up to the taxable wage base, which results in a combined OASDI tax of 12.4 percent. In addition, the employer and employee each pay an HI tax of 1.45 percent on all earnings -- a combined HI tax rate of 2.9 percent on total wages. The employer portion of the taxes is deductible in computing the employer's Federal income tax and excluded from the employee's income subject to Federal income tax.

Under SECA, self-employed workers pay a tax on their earnings from self-employment that corresponds to the combination of the employer and employee shares of FICA. One half of SECA taxes (the portion that corresponds to the employer portion of FICA) is deductible for Federal income tax purposes.

The earnings bases and tax rates under FICA and SECA from 1937 through 1994 are shown in Table 1.[2]

Employers withhold income tax and one half of FICA tax from employee wages. Periodically, employers deposit -- generally at

---

[1]This unemployment compensation system, established by the Social Security Act of 1935, is currently funded by federal and state payroll taxes. Generally, the Federal Unemployment Tax Act (FUTA) tax covers the cost of administering the system, and state unemployment taxes cover the cost of nearly all benefits. In general, FUTA imposes what is effectively a 0.8 percent tax on the first $7,000 paid annually by covered employers to each employee. The FUTA wage base has been $7,000 since 1983.

[2]The figures shown in Table 1 are from page 25 of the 1994 Annual Statistical Supplement to the Social Security Bulletin published by the Social Security Administration.

their local banks -- the employer and employee shares of FICA tax along with withheld income taxes. Employers also make separate deposits of FUTA taxes.

At the Subcommittee's request, we have prepared Table 2, which shows the percentage composition of Federal receipts from 1965 through 1994. As shown in the Table, in fiscal year 1965, Social Insurance Taxes and Contributions, which include FICA, SECA, and FUTA revenues, and contributions to railroad and other retirement programs, represented 19 percent of Federal receipts, but by 1994 they accounted for nearly 37 percent. Their relative growth is due, in part, to the growth in benefits in the earlier part of the period, and to increases in the later part of the period in payroll tax rates and taxable wage bases required to fund promised benefits. These increases were necessitated by demographic factors, such as changes in the relative ages of the population and the increased life expectancy of the elderly.

The Subcommittee has expressed interest in the extent to which the Social Insurance Taxes and Contributions component of Federal tax revenues is specifically attributable to small businesses. Table 3 provides a breakdown of total Social Insurance Taxes and Contributions into its FICA, SECA, FUTA, railroad retirement, and other retirement components for the period 1990 to 1994. Although it may reasonably be assumed that SECA payments are attributable to small business activities, we do not have tax data that directly allows us to disaggregate FICA and FUTA contributions by size of firm. Nevertheless, the Small Business Administration's 1994 Handbook indicates that firms with less than 500 employees account for about 48 percent of payroll, which implies that these firms would also account for approximately that same percentage of FICA taxes.

Incidence and Impact of Payroll Taxes

As noted, employers generally pay one half of social security taxes and withhold the other half from employees' wages. Self-employed workers pay all of the social security taxes on their net earnings from self-employment: one half attributable to their role as employees and the other half attributable to their role as employers. Employers also pay FUTA taxes to finance the unemployment system.

It is generally accepted, however, that the true incidence of both the employer and the employee portions of social insurance taxes ultimately falls on the worker. Most economists view the employer portion of payroll taxes as a component of workers' total compensation. If payroll taxes increase, businesses may in principle raise prices, accept lower profits, or pass the costs back to the worker. Assuming that workers do not increase their hours of work greatly in response to a reduction in net wages, firms are generally expected to pass the increased costs of payroll taxes back to employees by reducing other forms of compensation (wages or fringe benefits). Labor contracts and other constraints may delay the adjustment, although a number of empirical studies indicate that, in general, firms are able to shift nearly all of the costs to their workers within a year or a year and a half. Even if minimum wage requirements and other labor market constraints make such a shift more difficult in some cases, it is believed that, in general, the cost of payroll taxes is ultimately borne by the worker, rather than the employer. Therefore, it is anticipated that increases in payroll taxes are more likely to reduce wages (or limit wage increases) than to reduce employers' demand for labor.

Although the impact of lower wages on the supply of labor is uncertain -- lower wages make work less attractive, but they also may induce more hours of labor in order for workers to support their families -- most economists would agree that payroll taxes have limited macroeconomic effects on employment, at least over the range of rates observed in this country. Other factors (including changes in the strength of the economy) appear to play more of a role in determining year-to-year changes in aggregate levels of employment.

Taxes and Small Business

You have asked whether the Treasury Department has any specific recommendations or proposals to relieve the burden of payroll taxes on small business. As noted earlier, the Advisory Council on Social Security is currently reviewing the status of the trust funds in relation to the long-term commitments of the Social Security programs, including financing issues and the long-range financial status of the programs. In order to evaluate any possible changes in payroll taxes, it is important to view them in the context of financing requirements for the entire Social Security system. Accordingly, we believe that we should wait to see the Advisory Council's report.

In the meanwhile, the Administration has been working to reduce general tax compliance burdens on small business and has provided significant tax relief for small business and for low-income workers. I have noted that most economists believe that the cost of payroll taxes generally falls on the worker in the form of lower after-tax wages. The Administration is concerned about the increasing difficulty that low-income workers have experienced in raising their standard of living and has taken active steps to assist them. In 1993, the Administration proposed, and Congress enacted, a major additional expansion of the earned income credit (EITC), which may be claimed by taxpayers on their individual returns. The Administration opposes reduction of the EITC. The EITC is a refundable tax credit that is available to low- and moderate-income workers who have earned income and meet certain income thresholds. The credit increases significantly if an individual has one or two qualifying children.

The Administration has also taken a number of steps to provide overall tax relief for small businesses and lessen their administrative burdens. For example, we have

- supported the permanent extension and increase of the tax deduction for the cost of health insurance for self-employed individuals and their families;

- clarified that subchapter S corporations may enter into partnerships with partners that could not themselves qualify as S corporations, including nonresident aliens, thereby providing S corporations with flexibility in raising additional capital and structuring their business relationships;

- proposed in 1993 an increase in the amount of capital investment that businesses can expense from $10,000 to $25,000 in 1993 in order to reduce the cost to small business of items that increase their productivity, such as office machinery, computers, and copiers (Congress increased the expensing limit to $17,500);

- supported enactment of a provision that exempts 50 percent of the capital gains from the sale of small business stock;

- supported enactment of a provision encouraging investment in small businesses by allowing gain from the sale of publicly traded stock to be invested tax-free in specialized small business investment companies;

- issued guidance that simplified the calculation for computing the individual alternative minimum tax;

- issued guidance to simplify the determination of depreciation deductions, allowing taxpayers to group certain assets in one or more "general asset accounts"; and

- provided that the rules governing the timing of hedging gains and losses do not apply to small cash-method taxpayers, even though such taxpayers receive the benefit of the character provisions in those regulations.

In addition, we have made several recent proposals to reduce administrative and legal compliance costs imposed on small businesses. We recently proposed that an unincorporated entity be permitted to elect to be treated as a partnership by simply checking a box on its tax return. This simple election will replace application of a complicated set of criteria that had resulted in complexity and uncertainty. This new "check-the-box" rule has been uniformly applauded by taxpayers. Also, we recently proposed a Simplified Tax and Wage Reporting System that will ultimately enable an employer to file a single return providing payroll information electronically, thus eliminating the need to file similar data in multiple places.

On the legislative front, the President has proposed further increasing the self-employed health insurance deduction to 50 percent. This will further reduce the disparity in tax treatment between self-employed individuals and employees.

Just two weeks ago at the White House Conference on Small Business, the President proposed a package of pension simplification reforms including several elements of particular benefit to small employers. Among other things, the package proposed elimination of the family aggregation rule, which greatly complicates non-discrimination testing, particularly for family-owned or operated businesses, and unfairly prevents family members from receiving the full retirement benefits they could have if they were unrelated employees.

The proposal also includes a new, very simple retirement plan specifically designed for businesses with 100 or fewer employees--the National Employee Savings Trust, or "NEST." Currently, tax-favored retirement plans maintained by small businesses are generally subject to the same tax qualification rules as tax-favored retirement plans maintained by large employers. However, the administrative costs or complexities of complying with these rules are sometimes burdensome for small businesses -- in many cases discouraging them from having a plan at all.

The NEST is designed to address this problem. It would operate through individual IRA accounts for employees and would be subject to much simpler rules than ordinary 401(k) or other tax-favored employer retirement plans. The NEST program will allow small businesses to provide owners and employees with tax-deferred 401(k)-type retirement savings without having to perform complex non-discrimination rule testing (including compliance with the so-called "top-heavy" rules), file employer reports with the government, or make investment decisions on behalf of employees.

Conclusion

The Administration has taken important steps to reduce compliance and tax burdens on small businesses.

Reforms to the current Social Security system, including possible changes in the method of its financing, are currently being considered by the Advisory Council on Social Security. Any proposals to reduce payroll taxes for small business should take into account the potential impact on the financial health of the programs funded by the payroll tax and the need to maintain the integrity of the Social Security and Medicare trust funds. We would be happy to work with the Congress in examining alternatives that can satisfy these objectives.

Madame Chair, I appreciate the opportunity to appear before this Subcommittee today to discuss these important issues, and would be happy to answer any questions you or other members of the Subcommittee may have.

Table 1.—Annual maximum taxable earnings and actual contribution rates, 1937–94 and thereafter

Year	Annual maximum taxable earnings: OASDI	Annual maximum taxable earnings: HI	Contribution rate (percent): Employer and employee, each: Total	OASI	DI	HI	Self-employed person: Total	OASI	DI	HI
1937	$3,000	...	1.0	1.0	...	...	...	...	...	...
1950	3,000	...	1.5	1.5	...	...	...	...	...	...
1951	3,600	...	1.5	1.5	...	...	2.25	2.25	...	...
1954	3,600	...	2.0	2.0	...	...	3.0	3.0	...	...
1955	4,200	...	2.0	2.0	...	...	3.0	3.0	...	...
1957	4,200	...	2.25	2.0	0.25	...	3.375	3.0	0.375	...
1959	4,800	...	2.5	2.25	.25	...	3.75	3.375	.375	...
1960	4,800	...	3.0	2.75	.25	...	4.5	4.125	.375	...
1962	4,800	...	3.125	2.875	.25	...	4.7	4.325	.375	...
1963	4,800	...	3.625	3.375	.25	...	5.4	5.025	.375	...
1966	6,600	$6,600	4.2	3.5	.35	0.35	6.15	5.275	.525	0.35
1967	6,600	6,600	4.4	3.55	.35	.5	6.4	5.375	.525	.5
1968	7,800	7,800	4.4	3.325	.475	.6	6.4	5.0875	.7125	.6
1969	7,800	7,800	4.8	3.725	.475	.6	6.9	5.5875	.7125	.6
1970	7,800	7,800	4.8	3.65	.55	.6	6.9	5.475	.825	.6
1971	7,800	7,800	5.2	4.05	.55	.6	7.5	6.075	.825	.6
1972	9,000	9,000	5.2	4.05	.55	.6	7.5	6.075	.825	.6
1973	10,800	10,800	5.85	4.3	.55	1.0	8.0	6.205	.795	1.0
1974	13,200	13,200	5.85	4.375	.575	.9	7.9	6.185	.815	.9
1975	[1] 14,100	[1] 14,100	5.85	4.375	.575	.9	7.9	6.185	.815	.9
1976	[1] 15,300	[1] 15,300	5.85	4.375	.575	.9	7.9	6.185	.815	.9
1977	[1] 16,500	[1] 16,500	5.85	4.375	.575	.9	7.9	6.185	.815	.9
1978	[1] 17,700	[1] 17,700	6.05	4.275	.775	1.0	8.1	6.01	1.09	1.0
1979	22,900	22,900	6.13	4.33	.75	1.05	8.1	6.01	1.04	1.05
1980	25,900	25,900	6.13	4.52	.56	1.05	8.1	6.2725	.7775	1.05
1981	29,700	29,700	6.65	4.7	.65	1.3	9.3	7.025	.975	1.3
1982	[1] 32,400	[1] 32,400	6.7	4.575	.825	1.3	9.35	6.8125	1.2375	1.3
1983	[1] 35,700	[1] 35,700	6.7	4.775	.625	1.3	9.35	7.1125	.9375	1.3
1984	[1] 37,800	[1] 37,800	[2] 7.0	5.2	.5	1.3	[2] 14.0	10.4	1.0	2.6
1985	[1] 39,600	[1] 39,600	7.05	5.2	.5	1.35	[2] 14.1	10.4	1.0	2.7
1986	[1] 42,000	[1] 42,000	7.15	5.2	.5	1.45	[2] 14.3	10.4	1.0	2.9
1987	[1] 43,800	[1] 43,800	7.15	5.2	.5	1.45	[2] 14.3	10.4	1.0	2.9
1988	[1] 45,000	[1] 45,000	7.51	5.53	.53	1.45	[2] 15.02	11.06	1.06	2.9
1989	[1] 48,000	[1] 48,000	7.51	5.53	.53	1.45	[2] 15.02	11.06	1.06	2.9
1990	[3] 51,300	[3] 51,300	7.65	5.6	.6	1.45	15.3	11.2	1.2	2.9
1991	[3] 53,400	[4] 125,000	7.65	5.6	.6	1.45	15.3	11.2	1.2	2.9
1992	[3] 55,500	[3] 130,200	7.65	5.6	.6	1.45	15.3	11.2	1.2	2.9
1993	[1] 57,600	[1] 135,000	7.65	5.6	.6	1.45	15.3	11.2	1.2	2.9
1994	[1] 60,600	(5)	7.65	5.6	.6	1.45	15.3	11.2	1.2	2.9
Future schedule										
1995-99	(1)	(5)	7.65	5.6	.6	1.45	15.3	11.2	1.2	2.9
2000 and thereafter	(1)	(5)	7.65	5.49	.71	1.45	15.3	10.98	1.42	2.9

[1] Based on automatic adjustment, under 1972a Act (as modified by 1973a and 1973b Acts), in proportion to increases in average wage level.

[2] Includes tax credit, see table 2.A5.

[3] Based on automatic adjustment, under 1972a Act (as modified by 1973a and 1973b Acts), using a transitional rule, specified by the Omnibus Budget Reconciliation Act (OBRA) of 1989, for computing a "deemed" average annual wage for 1988, 1989, and 1990.

[4] Based on 1990 legislation.

[5] Dollar limit on earnings subject to Hospital Insurance (HI) taxes was repealed by OBRA 1993.

Table 2. Percentage Composition of Federal Receipts by Source, 1965-1994					
Fiscal Year	Individual Income Taxes	Corporation Income Taxes	Social Insurance Taxes and Contributions	Excise Taxes	Other
1965	41.8	21.8	19.0	12.5	4.9
1966	42.4	23.0	19.5	10.0	5.1
1967	41.3	22.8	21.9	9.2	4.7
1968	44.9	18.7	22.2	9.2	5.0
1969	46.7	19.6	20.9	8.1	4.7
1970	46.9	17.0	23.0	8.1	4.9
1971	46.1	14.3	25.3	8.9	5.4
1972	45.7	15.5	25.4	7.5	6.0
1973	44.7	15.7	27.3	7.0	5.2
1974	45.2	14.7	28.5	6.4	5.2
1975	43.9	14.6	30.3	5.9	5.4
1976	44.2	13.9	30.5	5.7	5.8
1977	44.3	15.4	29.9	4.9	5.3
1978	45.3	15.0	30.3	4.6	4.8
1979	47.0	14.2	30.0	4.0	4.8
1980	47.2	12.5	30.5	4.7	5.1
1981	47.7	10.2	30.5	6.8	4.8
1982	48.2	8.0	32.6	5.9	5.3
1983	48.1	6.2	34.8	5.9	5.0
1984	44.8	8.5	35.9	5.6	5.2
1985	45.6	8.4	36.1	4.9	5.0
1986	45.4	8.2	36.9	4.3	5.2
1987	46.0	9.8	35.5	3.8	4.9
1988	44.1	10.4	36.8	3.9	4.8
1989	45.0	10.4	36.3	3.5	4.8
1990	45.3	9.1	36.9	3.4	5.4
1991	44.4	9.3	37.6	4.0	4.7
1992	43.6	9.2	37.9	4.2	5.0
1993	44.2	10.2	37.1	4.2	4.3
1994	43.2	11.2	36.7	4.4	4.6

Source: Historical Tables, Budget of the U.S. Government, Fiscal Year 1996

Table 3. Composition of Social Insurance Taxes and Contributions (in $ billions)

Type of Tax or Contribution	Fiscal Year				
	1990	1991	1992	1993	1994
FICA taxes	328.4	341.3	357.1	372.1	400.7
SECA taxes	21.8	25.5	24.4	20.6	24.4
FUTA taxes	21.6	20.9	23.4	26.6	28.0
Railroad Retirement accounts[1]	3.7	3.8	4.0	3.8	3.7
Other retirement contributions[2]	4.5	4.6	4.8	4.8	4.7
Social insurance taxes and contributions	380.0	396.0	413.7	428.3	461.5

Department of the Treasury
Office of Tax Analysis

[1]Includes contributions to the rail industry pension fund and the railroad Social Security equivalent benefits fund.

[2]Includes employee contributions to federal employees retirement and contributions for non-federal employees.

DEPARTMENT OF THE TREASURY

TREASURY NEWS

OFFICE OF PUBLIC AFFAIRS • 1500 PENNSYLVANIA AVENUE, N.W. • WASHINGTON, D.C. • 20220 • (202) 622-2960

FOR IMMEDIATE RELEASE
June 27, 1995

STATEMENT OF SECRETARY RUBIN ON CRA AMENDMENT

The Community Reinvestment Act has been instrumental in revitalizing low- and moderate-income communities. I visited Chicago yesterday and the South Bronx last month and witnessed firsthand the economic benefits of CRA to families and businesses in those areas. Today the House Banking Committee adopted an amendment to its regulatory relief bill -- already overladen with provisions that undermine the safety and soundness of our nation's banking institutions -- that effectively renders CRA unenforceable. It prohibits CRA performance from being considered in the bank application process, which is critical to enforcing CRA. I am strongly opposed to this evisceration of CRA. The banking regulators recently completed a two-year, comprehensive overhaul of the CRA regulations that relieves the burden on banks. We need to give the regulations a chance to work.

-30-

RR-399

LIBRARY ROOM 5310

AUCTION RESULTS

PUBLIC DEBT NEWS

Department of the Treasury • Bureau of the Public Debt • Washington, DC 20239

DEPT. OF THE TREASURY

FOR IMMEDIATE RELEASE
June 28, 1995

CONTACT: Office of Financing
202-219-3350

RESULTS OF TREASURY'S AUCTION OF 5-YEAR NOTES

Tenders for $11,505 million of 5-year notes, Series M-2000, to be issued June 30, 1995 and to mature June 30, 2000 were accepted today (CUSIP: 912827U42).

The interest rate on the notes will be 5 7/8%. All competitive tenders at yields lower than 5.905% were accepted in full. Tenders at 5.905% were allotted 51%. All noncompetitive and successful competitive bidders were allotted securities at the yield of 5.905%, with an equivalent price of 99.872. The median yield was 5.890%; that is, 50% of the amount of accepted competitive bids were tendered at or below that yield. The low yield was 5.850%; that is, 5% of the amount of accepted competitive bids were tendered at or below that yield.

TENDERS RECEIVED AND ACCEPTED (in thousands)

	Received	Accepted
TOTALS	$32,545,213	$11,504,684

The $11,505 million of accepted tenders includes $242 million of noncompetitive tenders and $11,263 million of competitive tenders from the public.

In addition, $250 million of tenders was awarded at the high yield to Federal Reserve Banks as agents for foreign and international monetary authorities. An additional $700 million of tenders was also accepted at the high yield from Federal Reserve Banks for their own account in exchange for maturing securities.

RR-400

federal financing bank NEWS
WASHINGTON, D.C. 20220
Press 202-622-2960
FFB 202-622-2450

LIBRARY ROOM 5310
JUL 3 5000178
DEPT. OF THE TREASURY

June 29, 1995

FEDERAL FINANCING BANK

Charles D. Haworth, Secretary, Federal Financing Bank (FFB), announced the following activity for the month of May 1995.

FFB holdings of obligations issued, sold or guaranteed by other Federal agencies totaled $92.7 billion on May 31, 1995, posting a decrease of $2,634.8 million from the level on April 30, 1995. This net change was the result of a decrease in holdings of agency debt of $1,598.4 million, in holdings of agency assets of $1,010.0 million, and in holdings of agency-guaranteed loans of $26.4 million. FFB made 18 disbursements during the month of May, and executed six repricings of RUS-guaranteed loans and two refinancings of RUS-guaranteed loans. FFB also received 197 prepayments in May.

Attached to this release are tables presenting FFB May loan activity and FFB holdings as of May 31, 1995.

RR-401

FEDERAL FINANCING BANK
MAY 1995 ACTIVITY

BORROWER	DATE	AMOUNT OF ADVANCE	FINAL MATURITY	INTEREST RATE
AGENCY DEBT				
*U.S. Postal Service	5/15	$300,000,000.00	8/15/95	5.998% S/A
*U.S. Postal Service	5/15	$300,000,000.00	8/15/95	5.998% S/A
GOVERNMENT - GUARANTEED LOANS				
GENERAL SERVICES ADMINISTRATION				
Foley Services Contract	5/9	$103,889.00	12/11/95	6.058% S/A
HCFA Services	5/17	$83,184.00	6/30/95	5.994% S/A
HCFA Headquarters	5/18	$2,726,616.00	6/30/95	5.984% S/A
Memphis IRS Service Cent.	5/18	$3,429,082.60	1/2/96	6.050% S/A
Oakland Office Building	5/18	$472,095.00	9/5/23	6.942% S/A
Chamblee Office Building	5/25	$705.58	4/1/97	6.118% S/A
Miami Law Enforcement	5/25	$705.68	1/3/22	6.836% S/A
Foley Services Contract	5/26	$117,929.00	6/12/95	5.962% S/A
Foley Square Courthouse	5/30	$1,435,217.00	12/11/95	6.011% S/A
Foley Square Office Bldg.	5/30	$1,232,667.00	12/11/95	6.011% S/A
HCFA Headquarters	5/31	$694.58	6/30/95	5.931% S/A
GSA/PADC				
ICTC Building	5/16	$10,333,835.65	11/2/26	7.052% S/A
ICTC Building	5/17	$205,458.00	11/2/26	6.976% S/A
ICTC Building	5/25	$328,052.00	11/2/26	6.870% S/A
RURAL UTILITIES SERVICE				
Guam Telephone Auth. #371	5/2	$2,409,000.00	12/31/14	7.301% Qtr.
Pineland Telephone #403	5/5	$1,000,000.00	1/2/24	7.184% Qtr.
+San Miguel Electric #919	5/5	$10,315,431.82	10/2/95	5.884% Qtr.
+San Miguel Electric #919	5/5	$10,831,324.03	10/2/95	5.884% Qtr.
Citizens Utilities #387	5/12	$8,793,000.00	6/30/00	6.520% Qtr.
@Basin Electric #087	5/24	$813,746.63	1/3/17	6.833% Qtr.
@Basin Electric #087	5/24	$27,376.52	1/3/17	6.833% Qtr.
@Basin Electric #087	5/24	$906,422.93	1/3/17	6.833% Qtr.
@Basin Electric #087	5/24	$5,691,985.33	1/3/17	6.833% Qtr.
@Basin Electric #087	5/24	$3,995,322.40	1/3/17	6.833% Qtr.
@Basin Electric #137	5/24	$23,430,029.15	1/3/17	6.833% Qtr.
Adams Electric Coop. #354	5/25	$1,640,000.00	12/31/25	6.797% Qtr.

S/A is a Semi-annual rate: Qtr. is a Quarterly rate.
@ interest rate buydown
* maturity extension or interest rate reset
+ 306C refinancing

FEDERAL FINANCING BANK
(in millions)

Program	May 31, 1995	April 30, 1995	Net Change 5/1/95-5/31/95	FY '95 Net Change 10/1/94-5/31/95
Agency Debt:				
Department of Transportation	$ 0.0	$ 0.0	$ 0.0	$ -664.7
Export-Import Bank	3,149.8	3,149.8	0.0	-776.6
Resolution Trust Corporation	16,518.0	17,858.0	-1,340.0	-10,001.1
Tennessee Valley Authority	3,200.0	3,200.0	0.0	-200.0
U.S. Postal Service	7,614.7	7,873.1	-258.4	-1,358.4
sub-total*	30,482.5	32,080.9	-1,598.4	-13,000.8
Agency Assets:				
FmHA-ACIF	3,453.0	4,463.0	-1,010.0	-2,610.0
FmHA-RDIF	3,675.0	3,675.0	0.0	0.0
FmHA-RHIF	23,631.0	23,631.0	0.0	-760.0
DHHS-Health Maintenance Org.	10.5	10.5	0.0	-14.8
DHHS-Medical Facilities	28.5	28.5	0.0	-7.2
Rural Utilities Service-CBO	4,598.9	4,598.9	0.0	0.0
Small Business Administration	0.7	0.7	0.0	-0.3
sub-total*	35,397.6	36,407.7	-1,010.0	-3,392.4
Government-Guaranteed Loans:				
DOD-Foreign Military Sales	3,612.0	3,629.1	-17.1	-173.4
DHUD-Community Dev. Block Grant	95.7	95.9	-0.2	-14.2
DHUD-Public Housing Notes	1,688.5	1,688.5	0.0	-58.0
General Services Administration +	2,220.8	2,208.5	12.3	191.3
DOI-Virgin Islands	21.2	21.2	0.0	-0.7
DON-Ship Lease Financing	1,432.1	1,432.1	0.0	-47.4
Rural Utilities Service	17,313.1	17,299.2	13.8	-3.6
SBA-Small Business Investment Cos.	16.8	19.1	-2.3	-39.9
SBA-State/Local Development Cos.	447.7	480.4	-32.7	-75.3
DOT-Section 511	11.0	11.4	-0.4	-3.6
sub-total*	26,858.9	26,885.4	-26.4	-224.8
grand-total*	$ 92,739.1	$ 95,374.0	$-2,634.8	$-16,618.0

*figures may not total due to rounding
+does not include capitalized interest

Department of the Treasury
Financial Crimes Enforcement Network
LIBRARY ROOM 5310

FinCEN news

JUL 3 1995

2070 Chain Bridge Road, Suite 200, Vienna, VA 22182-2536
1500 Pennsylvania Avenue, NW, Suite 3210, Treasury Annex, Washington DC 20220

FOR IMMEDIATE RELEASE
June 28, 1995

Contact: Carolyn Savage
FinCEN
(703) 905-3770

FINCEN SETTLES STRUCTURING CASES AGAINST BORGES & IRMAO, INC., TIENDA CALI, INC., AND BOBBY DAVID CONNOR

The Treasury's Financial Crimes Enforcement Network (FinCEN) announced today the settlement of three civil penalty cases, each for violations of the anti-structuring and currency transaction reporting provisions of the Bank Secrecy Act (BSA).

Borges & Irmao, Incorporated, a money remitter in Newark, New Jersey, has paid a civil money penalty of $80,000. Tienda Cali, Inc., a currency exchange/check cashier in Calexico, California, has paid a $5,000 civil money penalty, and Bobby David Connor of Hilton Head Island, South Carolina, has paid a $600 civil money penalty.

"Structuring by individuals or financial institutions to circumvent the BSA reporting requirement is illegal," said Stanley E. Morris, Director of FinCEN. "Civil penalties such as these are the result of the government's increasing efforts to ensure that non-bank financial institutions, individuals and banks comply with the reporting and anti-structuring provisions of the BSA and its regulation."

Borges & Irmao, Inc., structured transactions and failed to file Currency Transaction Reports (CTRs) from 1988 to 1990. The Internal Revenue Service, Newark District, identified and reported the violations to FinCEN. FinCEN and Borges & Irmao agreed on the penalty amount in complete settlement of the corporation's BSA civil liability for that period.

In 1988, a co-owner of Tienda Cali, Inc. and another employee used currency in excess of $10,000 to purchase multiple cashier's checks. The cashier's checks were purchased from different banks, each in amounts less than $10,000. The violations resulted in a failure to file a CTR on an otherwise reportable transaction. FinCEN considered Tienda Cali's cooperation in determining the amount of the penalty.

-more-

In 1988, Connor, who knew the CTR reporting requirements, attempted to conduct a currency transaction in excess of $10,000 at a local bank. When the teller started to complete the required CTR, Connor reduced the amount of his transaction to less than $10,000. He returned to the bank the next day with the remainder of the currency to complete the transaction. The bank notified the government of his actions.

The nominal amount of the penalty in Connor's case reflects mitigating factors considered by FinCEN.

In announcing the penalties, Morris commended the IRS Newark District for its efforts and cooperation in the Borges & Irmao case. He also praised the expeditious and highly effective manner in which the South Carolina bank reported the transactions of Connor and for its complete cooperation with the government during Treasury's enforcement action. Morris concluded by noting that, "The government continues its vigilance against individuals and financial institutions that fail to comply with the BSA."

The BSA anti-structuring provision was enacted to prevent persons from evading the currency transaction reporting requirement. The provision prescribes penalties for those who break down currency amounts greater than $10,000 into multiple transactions, each less than the $10,000 reporting threshold.

The BSA requires banks and other financial institutions to keep certain records, to file CTRs with Treasury on cash transactions in excess of $10,000 and, under certain circumstances, to file reports on the international transportation of currency, travelers checks and other monetary instruments in bearer form. The purpose of these reports and records is to assist the government in combating money laundering as well as for use in civil, criminal, tax and regulatory investigations. The Act also now permits Treasury to require institutions to implement anti-money laundering programs and compliance procedures and report to the government potentially suspicious transactions. The authority of the Secretary of the Treasury to administer the BSA is delegated to the Director of FinCEN.

During the past two years, Treasury has assessed over 30 BSA civil money penalties against banks, currency exchanges, a credit union, casinos, check cashers, funds remitters, and individuals, totalling over $5.3 million.

####

DEPARTMENT OF THE TREASURY

TREASURY NEWS

OFFICE OF PUBLIC AFFAIRS • 1500 PENNSYLVANIA AVENUE, N.W. • WASHINGTON, D.C. • 20220 • (202) 622-2960

FOR IMMEDIATE RELEASE
June 29, 1995

STATEMENT BY TREASURY DEPUTY SECRETARY FRANK NEWMAN

We take seriously the concerns of any member of Congress and have been responsive through testimony, correspondence and in making documents available to answer specific members' questions on the Mexican situation. The Mexico program is beginning to work, the reforms are having their desired effect on Mexico's economy and, as a result, American interests, American jobs and America's border are being protected.

As to the charges about the Administration's policy toward Mexico before 1995, each of these issues was raised and laid to rest not only by the comments of Secretary Rubin and Under Secretary Summers, but by the Chairman of the Federal Reserve in testimony before the Senate Banking Committee.

Evidence that the program is working is contained in the reports on Mexico Secretary Rubin has sent to Congress today.

-30-

RR-403

DEPARTMENT OF THE TREASURY

TREASURY NEWS

OFFICE OF PUBLIC AFFAIRS • 1500 PENNSYLVANIA AVENUE, N.W. • WASHINGTON, D.C. • 20220 • (202) 622-2960

DEPT. OF THE TREASURY

FOR IMMEDIATE RELEASE
June 29, 1995

Contact: Michelle Smith
(202) 622-2960

RUBIN REPORTS SIGNIFICANT MEXICAN ECONOMIC PROGRESS

Treasury Secretary Robert E. Rubin in two reports to Congress on Thursday said Mexico's rigorous adjustment program is being implemented faithfully and appears to be working.

"Mexico's economic reform efforts have borne fruit," Secretary Rubin said. "Its budget is in surplus, reserves are up, and the stock of outstanding short-term debt has been cut by two-thirds since the beginning of the year. Our program to protect America's interests in jobs, exports and a secure border by helping Mexico address its financial problems shows signs of working and that is good news on both sides of the U.S.-Mexico border.

"Mexico continues to meet its commitments under the stabilization program, including tight monetary and fiscal policies and important regulatory and legislative reforms that will promote privatization and foreign direct investment," Secretary Rubin said.

The reports note that the Bank of Mexico has increased the amount and frequency of information it releases to the market. Each week it releases its balance sheet, which includes information on the stock of international reserves, the money supply and credit to financial intermediaries. And each day it releases the monetary base as well as its planned operations to change the monetary base for that day.

"Financial markets are responding positively to Mexico's adjustment program," Secretary Rubin said. "Fears of Mexican sovereign default and of the contagion effects on other developing economies have abated.

"As the liquidity crisis subsides, the Zedillo Administration has begun to focus attention on long-term strategies to ensure that Mexico can sustain a higher level of economic growth and that its workforce will be competitive," Secretary Rubin said.

(MORE)

RR-404

President Clinton, with the support of the bipartisan Congressional leadership, authorized the use of the Exchange Stabilization Fund in order to prevent a prolonged financial crisis in Mexico which would have threatened American jobs, exports, security and our common border.

Outstanding U.S. support for Mexico is $10 billion. Treasury reaffirmed that an additional $10 billion remains available to Mexico after July 1, if needed, and in stages based on Mexico's continued compliance with the February 21 framework agreements.

Treasury submitted its second monthly report along with the first semi-annual report on behalf of the President to Congress regarding the U.S. Government's financial assistance program as required by Sections 403 and 404 of the Mexican Debt Disclosure Act of 1995. The two Treasury reports provide an account of the current condition of the Mexican economy, all outstanding disbursements of U.S. funds to Mexico, financial transactions involving funds from the ESF and from the Federal Reserve System, the status of the oil facility and compensation for credit risk to the U.S. Government.

-30-

Monthly Report
by the
Secretary of the Treasury

Pursuant to the
Mexican Debt Disclosure Act
of 1995

June 30, 1995

Treasury Secretary's Monthly Report to Congress
June 1995

Contents

Appendix

I. Summary

Mexico continues to meet its commitments under the financial agreements signed by U.S. and Mexican authorities on February 21, 1995. The Mexican Government has adopted a rigorous adjustment program to put its economy back on the path to sustained economic growth. There are already signs that the program is working.

Mexico's stabilization program includes strict control over money and credit, tightened fiscal policy, and the reconfiguration of its debt portfolio, to move from short-term to longer-term maturities. Moreover, the Mexican Government is moving forward with key regulatory and legislative reforms that will promote privatization of and foreign direct investment in Mexico's infrastructure.

The crisis that emerged at the end of 1994 meant that, even with the strong adjustment package and U.S. and IMF liquidity support to help manage the large amount of short-term debt coming due, Mexico was faced with a dramatic reduction in the supply of foreign capital. Inevitably, then, Mexico had to reduce its need for foreign capital inflows, as measured by the current account deficit, which shrank from $6.7 billion in the first quarter of 1994 to $1.2 billion in the first quarter of 1995. Both real depreciation of the peso and contraction of domestic demand were factors behind this adjustment.

Mexico's economic policy package was designed to allow this inevitably difficult adjustment to take place as efficiently as possible. Tight fiscal policy has reduced domestic demand. Mexico's budget surplus for the first quarter of 1995 was substantially higher than its first quarter 1994 level, and larger than the authorities had expected. The fiscal surplus also reduced the pressure that the restrictive monetary policy places on the private sector: by freeing up resources for private investment, it permits a more rapid increase in exports and a faster return to growth.

The Mexican Government's strict monetary policy has been designed to stabilize the peso and to contain inflation. Inflation seems to have moderated since April, and interest rates have declined, as investor fears about inflation have calmed. The peso has stabilized and appreciated in both real and nominal terms. Finally, privatization and structural reforms are designed to improve productivity and to attract foreign investment. This will speed Mexico's return to economic growth and elevate Mexico's sustainable path once growth has resumed.

Mexico has accumulated external reserves while amortizing or extending the maturity of substantial amounts of short-term foreign debt. U.S. and other international financial support has allowed Mexico to cut its stock of outstanding short-term, dollar-indexed debt (Tesobonos) by $19 billion since the beginning of 1995, reducing the amount of outstanding Tesobonos to roughly $10 billion from $29.2 billion. Importantly, net repayments by the banking system to the bank insurance fund, FOBAPROA, as well as reinvestment in Mexico by Tesobono holders have also contributed to this outcome.

Although it is too early to make definitive judgements, recent indicators suggest that financial markets are responding positively to Mexico's adjustment program, and that confidence in Mexico's economic outlook is returning. Activity in wider Latin American Brady bond markets suggests that fears of both Mexican sovereign default and the contagion effects on other developing economies have abated.

While these signs of stabilization give cause for cautious optimism, Mexico's economy remains severely strained. For example, Mexico's banking sector, weak going into the crisis, continues to be adversely affected by current economic conditions, as loan portfolios have worsened and dollar liquidity has been squeezed. Many Mexican banks' dollar liabilities are not being renewed, while their dollar borrowers are themselves hard-pressed to meet their loan obligations.

The Mexican authorities have responded with a number of initiatives to: (1) mitigate the immediate impact of the peso crisis on the banking system; (2) restructure the legal, regulatory and supervisory environment; and (3) encourage an inflow of new capital into the banking system, particularly from foreign investors.

Financial sector loans from the World Bank and the Inter-American Development Bank (IDB) will support the Mexican Government's efforts. Specifically, the loans will help: (i) restore solvency and soundness to Mexico's banking system; (ii) reform accounting standards and prudential regulations for the banks; (iii) improve the efficiency of the Bank of Mexico's operations; and (iv) reform development bank lending.

Mindful of the devastating impact that the recession will have on Mexico's poorest citizens, the Mexican Government has taken steps to secure a social safety net. One billion dollars in social sector loans from the World Bank and the IDB will complement financial assistance from the U.S. and the IMF and help protect essential social services from future budget cuts under Mexico's austerity program.

The Zedillo Administration has begun to focus attention on long-term strategies to ensure that Mexico can sustain a higher level of economic growth and that its workforce will be competitive in the twenty-first century. The Zedillo Administration's National Development Plan charts the course for both increased domestic savings and political reform in the long-run.

Mexico's obligations under the February 21 agreements are backed by the full faith and credit of the Mexican Government. Interest rates on currency swaps are sufficient to cover the risks that the United States is likely to bear. In the unlikely event that Mexico fails to meet its obligations, the U.S. Government has the right to set off Mexico's obligations against the proceeds from its crude oil, petrochemical and refined product exports, which flow through a special account at the Federal Reserve Bank of New York. The oil proceeds mechanism continues to function smoothly. As of June 23, 1995, approximately $2.5 billion has flowed through the special account since March 8, 1995.

II. Current Condition of the Mexican Economy
a. Fiscal Policy

Mexico's budget surplus is higher than last year, due to increased oil prices and spending cuts

The Mexican non-financial public sector budget, which the IMF and private sector analysts track, reflects three components: (1) the Federal Government, (2) state-owned enterprises controlled by the Federal Government, such as Petroleos Mexicanos (PEMEX) and Commisión Federál de Electricidad (CFE), and (3) state-owned enterprises under indirect control of the Federal Government, including Federal universities and hospitals. State and local government finances are not included. Total public sector revenues increased in real terms during the first quarter of 1995 compared to the first quarter of 1994, primarily because PEMEX revenues, and Federal taxes paid by PEMEX, increased significantly.

- While non-oil revenues declined by 8.5% in real terms during this period, PEMEX revenues and Federal taxes, which account for 34% of public sector revenues, increased by 35% in real terms (see Table 1).[1]

- This real increase in oil revenues can be attributed to the 42% increase in the dollar price of oil between the first quarters of 1994 and 1995, and the peso's depreciation from NP 3.16/USD to NP 5.97/USD over the same period, which further increased the peso price of oil.

Most other sources of revenue declined in real terms between 12% to 29% compared to the previous year due to the weak economy and the devaluation of the peso (see Table 2).

- For example, corporate taxes fell, as the higher peso cost of servicing dollar-denominated debt reduced corporate profits.

- VAT and tariff revenues also fell as both consumption and imports declined.

---

1 Unless noted, comparisons between Q1 1994 and Q1 1995 are deflated by the 15% increase in consumer prices.

TABLE 1: Public Sector Revenues

NP millions	Q1 1994	Q1 1995	Real Change[1]
PEMEX revenues & Federal taxes paid	19506	30227	34.7%
Non-petroleum revenues	55823	58759	-8.5%

(1) Deflated for the 15% increases in consumer prices between the first quarters of 1994 and 1995.

Real public sector spending, excluding interest payments, fell by 12% compared to the previous year. This expenditure reduction permitted total real public sector spending to decline by 5%, despite a 44% increase in real interest expenses. Owing to both the increase in interest rates and the depreciation of the peso, real interest payments by the Federal Government on external debt increased 78% compared to a year earlier (see Table 2). The Government of Mexico's primary strategy to limit spending has focused on two areas:

- *Limit salaries and benefits by imposing a hiring freeze and delaying wage increases:* Scheduled first quarter wage increases for public sector employees were postponed until April, but then were paid retroactively. As a result, public sector spending on salaries and benefits was 5% below 1994 levels in real terms. (Here, comparisons between 1994 and 1995 do not include spending by enterprises under indirect control, because the Mexico City budget was included in this category in 1994 but not in 1995.)

  The real public sector wage bill will likely drop further, as wage increases negotiated to date have been less than expected inflation. Most noteworthy is the agreement reached with teachers and other government employees in May to increase wages by 12% and benefits by 8%, effective in June. These terms will allow the Mexican Government to keep budgetary cost increases well below the projected 42% CPI hike between December 1994 and December 1995.

- *Cut investment spending by postponing new projects and slowing outlays for projects already underway:* While the Government of Mexico increased investment in those state enterprises that generate revenue and earn foreign exchange (for example, PEMEX), other public works projects have been slashed. Spending on investment funded by the Federal Government fell 72% from 1994 levels.

TABLE 2: Mexico's Federal Government Budget

Q1 (NP millions)	1994	1995	Real Change [1]
Revenues	52895	55714	-8.4%
Taxes			
Income tax	18251	18581	-11.5%
Value added tax	10055	9955	-13.9%
Excise taxes	6703	6208	-19.5%
Import duties	2819	2742	-15.4%
Other	2722	2999	-4.2%
Non-Tax Income			
Fees			
Oil	6513	10403	38.9%
Other	1449	1222	-26.7%
Other (e.g., privatization)	4383	3604	-28.5%
Expenditures	50794	52177	-10.7%
Discretionary	28522	27066	-17.5%
Operating Expenditures	8883	9041	-11.5%
Salaries	6508	6891	-7.9%
Other	2375	2150	-21.3%
Public Investment	2523	813	-72.0%
Transfers	17116	17212	-12.6%
Education	6742	7491	-3.4%
Other	10374	9721	-18.5%
Non-Discretionary	22272	25111	-2.0%
Outlays from past years' obligations	3963	2602	-42.9%
Revenue Sharing	9918	11137	-2.4%
Interest Payments	8391	11372	17.8%
Internal	4528	3448	-33.8%
External	3863	7924	78.4%
Errors and Omissions	3017	852	-75.4%

TABLE 3: State-Owned Enterprises

First Quarter (NP Millions)	1994	1995	Real Change (1)
Under Direct Control of the GOM, Balance	811	6195	
PEMEX, Balance	-285	2947	
Revenues	5857	12676	88.2%
Expenditures	6142	9729	37.7%
Interest	935	3599	234.7%
Non-interest	5207	6130	2.4%
CFE, Balance	-357	1271	
Revenues	4127	5862	23.5%
Expenditures	4484	4591	-11.0%
Interest	207	823	245.7%
Non-interest	4277	3768	-23.4%
Other Enterprises, Balance	-1975	-720	
Revenues	13440	15639	1.2%
Expenditures			
Interest	15	76	340.6%
Non-interest	15400	16283	-8.1%
Subsidies from the Federal Government	3428	2697	-31.6%
Under Indirect Control of GOM, Balance (2)	4450	109	

(1) Deflated for the 15% increases in consumer prices between the first quarters of 1994 and 1995.
(2) Mexico City budget included in 1994 but excluded in 1995.

As a result, Mexico's budget surplus increased compared to its 1994 level

Due to the boost from oil revenues and the cut in non-interest spending, the overall non-financial public sector surplus was NP 9.0 billion for the first quarter (roughly 2.7% of GDP) compared to last year's surplus of NP 4.3 billion (1.5% of GDP).

- In the first quarter of 1995, Mexico ran a primary surplus (the surplus net of interest payments) of NP 25.7 billion or roughly 7.6% of GDP, significantly larger than last year's surplus of NP 11.4 billion or 3.8% of GDP (see Table 4).

TABLE 4: Public Sector Balances

NP millions	Q1 1994	Q1 1995
Federal Budget Balance	-916	2685
% of GDP (1)	-0.3%	0.8%
Primary Balance	7475	14057
% of GDP	2.5%	4.2%
Public Sector Non-financial Balance	4345	8989
% of GDP	1.5%	2.7%
Public Sector Primary Balance	11371	25692
% of GDP	3.8%	7.6%

(1) 1995 nominal GDP was estimated by adjusting the reported 0.6% decline in real GDP between the first quarters of 1994 and 1995 by the 15% increase in consumer prices during this period. This is likely to differ from estimates of nominal GDP using the GDP deflator, which has not yet been reported.

However, surpluses may fall in the remaining quarters of 1995

Mexico's budget surplus may fall in future quarters compared to the first quarter of 1995, and the increase in the surplus compared to last year may be less dramatic, for several reasons:

- The recession is likely to worsen after the first quarter. This will tend to decrease revenues and may cause increases in some social expenditures.

- As noted, the public sector wage bill was held down because the scheduled pay increase for public sector employees was postponed until April and then paid retroactively. This will boost second quarter spending. Moreover, public sector employees receive large Christmas bonuses.

- The fiscal boost from higher peso oil revenues is likely to decline in subsequent quarters. World oil prices increased during much of 1994 and the first half of 1995. Most analysts expect, however, that they will remain steady during the rest of this year. Thus, while the increase in oil prices between the first quarters of 1994 and 1995 was 42%, the increase between the second quarters of 1994 and 1995 is likely to be only 20 to 25%.

- Similarly, while the peso weakened against the dollar by 47% (from NP 3.16/USD to NP 5.97/USD) between the first quarters of 1994 and 1995, the decline is likely to be closer to 45% for the second quarters, based on average depreciation in April-May and early June, 1995 (from NP 3.3/USD to about NP 6.0/USD), compared to the same period in 1994. Thus, on a year-over-year basis, PEMEX revenues are likely to yield less of a fiscal impact after the first quarter.

Mexico took measures in March and April to strengthen its fiscal position

As it became clear in March that the economic forecast for 1995 on which the budget had been based was too optimistic, the Mexican Government took decisive measures to strengthen Mexico's fiscal position.

- The government increased the VAT rate from 10% to 15%, effective April 1.

- Planned 10% annual increases in public sector prices of oil and electricity were revised upward to 49% and 32%, respectively.

- Real discretionary public sector spending already budgeted to fall by 4% was cut by an additional 2%.

If necessary, Mexico can tighten fiscal policy further

The Mexican Government has several tools at its disposal to further tighten fiscal policy, if necessary.

- The Mexican Government believes that, if necessary, it could quickly raise revenues by increasing the price of publicly provided goods and services, particularly gasoline and electricity. As noted above, PEMEX revenues and tax payments account for 34%, and CFE revenues represent 7%, of total public sector revenues.

- Mexican budget officials have considerable authority to reduce spending. While the budget law passed by the Mexican Congress sets annual ceilings for budget authority, Finance Ministry officials may require that agencies spend less than their annual authorized level.

- However, the Mexican Government's power to rescind capital expenditures is constrained as the year progresses by the cost of cancelling contracts that have been signed. Ministries can, nonetheless, *delay* investment spending even after it is contracted, since outlays for obligations made in one year may occur as late as six months into the next.

- Similarly, because the Mexican Government is required to make severance payments, laying-off public sector employees offers little room to reduce expenditures in the short term.

Prospects for attaining annual fiscal surplus targets are favorable

In March, Mexico established targets of an overall annual budget surplus of 0.5% of GDP and a primary surplus of 4.4% of GDP. Uncertainties remain regarding the state of fiscal policy. The depth of the recession, and hence future revenues, are difficult to predict. The economic downturn will test the ability of the Mexican Government to continue with severe compression of expenditures. Nonetheless, given continued strong policy performance, Mexico is on track to attain its fiscal goals for the year.

- Mexican authorities anticipate that the measures taken in March to increase revenues and further decrease expenditures, combined with the favorable public sector wage settlements obtained in April, will counteract the effect of the steeper-than-expected recession and allow attainment of the target for the primary surplus. Most of the above-mentioned factors that will tend to reduce the annual fiscal surplus compared to the first quarter were taken into account in the formulation of the budget plan. Finally, officials stand ready to implement new fiscal measures as necessary to attain the planned surplus.

II. b. Monetary Policy

Mexico has made substantial progress in solidifying the independence of the Bank of Mexico, strengthening the peso, and conducting a tight monetary policy. Since the beginning of 1995, the Bank of Mexico has conducted a monetary policy designed to: (1) stabilize the value of the peso; (2) halt capital outflows and eventually restore inflows; and (3) reduce inflation, eventually to single digit rates.

The path has not been easy, but Mexico has made substantial progress in its execution of this strategy. Monetary policy has been tight, and, in combination with other Mexican economic policy measures and the external support package, this has resulted in a strengthened and stabilized peso, a sharp decline in inflation, and an accumulation of reserves.

The growth of net domestic credit has been strictly limited. The Bank of Mexico announced a limit of net domestic credit growth (defined as the money base less international reserves) of NP 10 billion for the entire year. In fact, net domestic credit has fallen by NP 42 billion since the beginning of the year.

- While many factors influence net domestic credit, it is important to emphasize that there has been no increase in peso credit to financial intermediaries, including lending to commercial banks, development banks, and the trust fund (FOBAPROA) charged with insuring banking system liabilities.

- Thus, despite inflation of 29% in the first five months of the year, total peso credit to financial intermediaries fell slightly over the same period, for a real decline of 22%.

- The contraction of real credit has combined with high interest rates, the fall in output, and pre-existing structural weaknesses to place great strains on the banking system. Still, the above data show that measures taken to date to extend credit to the banking system, including banks that have been intervened by the regulatory authorities, have not caused an increase in total credit to the banking system.

- The Bank of Mexico has made plain that it will continue to ensure that any measures taken to address banking problems do not weaken its monetary policy stance.

Partly as a result of this tight credit policy, the money supply has been strictly controlled.

- The money supply (monetary base) fell by 17% between December 31, 1994 and June 16, 1995. The real money supply fell by 34% between December 31, 1994 and May 31, 1995. While part of this decline is due to seasonal factors, the real money supply at the end of May was 23% lower than at the end of May 1994.

Interest rates have been allowed to increase as high as necessary to complement this tight control over credit and the money supply.

- During early March, when confidence was at a low point, inflation expectations were high and capital outflow was strong. Effective annual interest rates on government securities were allowed to increase as high as 82%.

- With some return of confidence, inflation has subsided and nominal interest rates have declined, with the rate in recent auctions of government securities down to below 50%. Real rates (nominal interest rates adjusted for the rate of inflation) have remained high or even increased. The real interest rate in May, defined as the yield on one-month government securities after adjusting for actual inflation in May, was 20% on an annualized basis.

Institutional reforms will help ensure the independence and efficiency of monetary policy

The Bank of Mexico has made a number of institutional changes to enhance its independence, improve its control over monetary policy, and strengthen its monetary policy stance.

- It has established zero monthly average reserve requirements on commercial banks. Through this mechanism, the Bank of Mexico can immediately tighten monetary conditions, as necessary. This mechanism induces market-determined interest rate hikes, rather than requiring the Bank of Mexico to force up interest rates directly, as before.

- The Bank of Mexico is limiting the growth of the money supply to rates consistent with its annual inflation target of 42%. If demand for bills and coins (the monetary base) grows faster, the Bank contracts liquidity rather than satisfying extra demand.

- The procedure by which the Bank of Mexico intervenes in the money market to control the money supply has been made more market-oriented. Previously, the Bank announced a rate prior to each auction. Now, the interest rate is freely determined in the secondary market.

- The payments system has been reformed to increase the efficiency of monetary policy and lessen the risks that the Bank of Mexico has to bear in its role of overseeing the interbank payments mechanism.

- Perhaps most important, the Bank of Mexico has increased the amount and frequency of information it releases to the market. For example, it releases its balance sheet weekly. This includes information on the stock of international reserves, the money supply, and credit to financial intermediaries. Each day it releases information about the monetary base as well as its planned operations for that day to change the monetary base.

II. c. Reserve Position

Of course, monetary policy has been only one component of the stabilization program that was designed to restore confidence. But in combination with a tight fiscal policy, structural reforms, and the international assistance package, the tight monetary policy has contributed to a partial reversal of capital outflows and a buildup of international reserves. Reserves have risen $4.2 billion this year, to $10.3 billion on June 16, including international assistance and notwithstanding heavy amortizations of foreign debt during this period.

TABLE 5: Mexico's International Reserves ($US billions)[1]

01/94	02/94	03/94	04/94	05/94	06/94	07/94	08/94	09/94
26.8	29.6	26.1	17.9	17.7	16.7	17.0	17.3	16.6
10/94	11/94	12/94	01/95	02/95	03/95	04/95	05/95	06/95
18.0	13.1	6.1	3.5	9.0	6.9	8.7	10.4	10.3

[1] All data are as of the last day of the month, except for 6/95, which refers to June 16.

II. d. Economic Adjustment

Mexico is enduring a year of difficult economic adjustment. Nonetheless, the economy is already exhibiting signs that the program is working. The crisis that emerged at the end of 1994 meant that, even with the strong adjustment package and U.S. and IMF liquidity support to help manage the large amount of short-term debt coming due, Mexico was faced with a dramatic reduction in the supply of foreign capital. Inevitably, then, Mexico had to reduce its need for foreign capital inflows, as measured by the current account deficit, which shrank from $6.7 billion in the first quarter of 1994 to $1.2 billion in the first quarter of 1995. This was a sharp improvement from late 1994. Both the real depreciation of the peso and the contraction of domestic demand were factors behind this adjustment.

The near elimination of the current account deficit has been largely due to a strong reversal in the trade balance from deficit to surplus. Thus, while the overall economy is in sharp recession, the traded goods sectors, primarily manufacturing, have performed relatively well. Sectors that depend on domestic demand alone, such as construction, have fared much more poorly. With the successful implementation of strict financial policies, there are indications that inflation is receding.

Q1 1995 results confirm Mexico's progress on the current account balance

The economy's external position has improved substantially, due to strong export performance and restrained imports.

- Mexico achieved a trade surplus of $1.9 billion in the first five months of 1995 (based on preliminary figures for May) compared to a deficit of $7.2 billion during the same period in 1994. Mexico ran a $588 million trade surplus in May, its fourth consecutive monthly surplus of the year.

- As a consequence of the recession and the sharp drop in the value of the peso from last year's levels, Mexico's imports have declined in 1995. Imports fell 18% in April and 8% in May compared to the same period of the previous year.

- Most dramatically, the fall in consumption in Mexico and the increase in the peso cost of imports have led to a 33% fall in imports of consumer and capital goods in the first four months of the year compared to the same period in 1994. By contrast, imports of intermediate goods have increased by 7% because of strong demand by the booming export sector.

- At the same time, Mexico's export growth has been remarkably strong. Exports in the first quarter were 26% above their levels in the same period of the previous year, while in May they were 30% higher. Exports rose 13% in May compared to April but have been relatively steady on a seasonally adjusted basis.

- Export growth has been driven by extraction industries (including oil) and by manufacturing (including the *maquiladora* sector, which imports components and assembles products for export). Producers have in many cases quickly shifted production to export markets in the face of attractive peso prices and weak domestic demand.

- Mexico ran a current account deficit of $1.2 billion during the first quarter, compared to deficits of $6.7 billion and $7.3 billion for the first and fourth quarters of 1994 (see Table 6). A large turnaround in merchandise trade and a more modest reversal in non-factor services trade more than offset a larger deficit in factor payments, due to higher interest payments.

TABLE 6: Mexico's Current Account

($ Millions)	Q1 1994	Q4 1994	Q1 1995
Merchandise Trade			
Exports	13776	16974	18731
Imports	18073	21796	18191
Balance	-4297	-4822	540
Factor Services, Balance	-3018	-2737	-3052
Non-Factor Services, Balance	-246	-660	421
Transfers, Balance	866	902	882
Current Account Balance	-6695	-7317	-1209
Current Account Balance, as %GDP	-7.3%	-7.7%	-2.1%

Mexico's economy is in recession as the adjustment takes hold

The rapid response of the tradeable goods sector allowed for first quarter declines in GDP and industrial production that were lower than expected, given the need to turn around the trade balance.

- Real GDP fell 0.6% in the first quarter of 1995 compared to the same period in 1994. While this represents a sharp decline from a growth rate of 3.5% in 1994, this drop was more modest than the government projected, reflecting buoyant export performance partially offsetting weaker domestic demand. However, economic activity is clearly down. First quarter GDP growth in 1995 probably understates the trend because GDP growth during the first quarter of 1994 was also weak.

- Industrial production, which includes manufacturing and construction, fell by 0.7% in the first quarter of 1995 compared to the same period in 1994. After adjustment for seasonal factors, month-over-month industrial activity fell markedly in February and March, resulting in a 3.1% decline for the quarter as a whole compared to the fourth quarter of 1994.

- The pattern of the economy's reaction reflects the rapid external adjustment that has taken place. The strong export response corresponds to a shift in resources from the non-tradeable goods sector. Thus, it is not surprising that areas sensitive to export demand performed relatively well. Agriculture and manufacturing, for example, actually grew respectively in the first quarter by 2% and 4% compared to the Q1 1994. Output rose in utilities, paper products, chemical, oil, and basic metals on strong export demand.

- In contrast, sectors particularly sensitive to domestic demand, such as retailing and construction, have contracted. Construction activity fell by 7.3% in the Q1 from the previous year. Domestic sales of automobiles plunged 68% in the first five months of 1995 compared to same period in the previous year. Overall retail sales dropped 20% on a year-over-year basis in March and 23% in February, following a decline of only 3% in January.

- GDP is likely to fall further this year, before economic growth resumes. Analysts estimate GDPcould decline by between 1.5% and 4.8% in 1995 (with the private sector consensus being around 3.3%), before economic growth resumes late in 1995 or early in 1996.

The process of economic adjustment has weakened labor markets.

- The official unemployment rate, which only covers urban workers in the formal sector, rose to 6.3% in April compared to 3.2% at the end of 1994. Although this rate understates unemployment compared to U.S. measurement, it closely tracks economic activity. The rapid rise of unemployment indicates the slowing of the economy. Employment in the manufacturing sector was also much lower than in the same period of the previous year, falling by 6.1% from March 1994 to March 1995 after declining by 4.7% and 3.2% during the 12-month periods ending in January and February 1995.

- Real wages in the manufacturing sector, among the strongest in the economy, were lower than they had been a year earlier, registering a sharp decline of 7.7% in March after edging up 0.2% on a year-over-year basis in February.

- Following a burst in the first four months of the year, inflation seems to be moderating. The peso's depreciation in December and the first three months of the year suddenly raised the price of imported goods. Increases in public sector prices and the value-added tax rate in March and April further boosted inflation.

- Inflationary pressure appears to be moderating as consumer prices in May rose only about half of the 8% rate reported in April, and by 1.65% for the first two weeks of June. It appears to be heading down toward about a 2% average monthly rate for the rest of the year.

- The effects of the devaluation and public price and tax increases seem to have largely passed through the economy, while tight monetary policy and the fiscal surplus are limiting domestic demand and thus pressure on non-tradeable goods prices. There appears to be little prospect of wage-led inflation, as wage behavior has so far remained remarkably restrained, with recent wage settlements entailing increases far below inflation.

II. e. Financial Market Trends

Although it is still too early to make definitive judgments, recent indicators suggest that financial markets are responding positively to the adjustment program and that confidence in Mexico's outlook is returning.

- For example, as of June 22, the peso has appreciated more than 21% since its low on March 9, 1995, and has traded within a range of NP 6.0 to 6.3 over the past few weeks. In addition, the volatility of the peso has decreased dramatically, indicating less uncertainty in the market.

- As of June 22, Mexico's stock market had risen 41% in peso terms, and 36% in dollar terms, since its low on February 27, 1995.

Interest rates have steadily declined in recent weeks as investor expectations about inflation and the risk of government default have eased.

- Mexico's benchmark 28-day Treasury bill (CETES) rate has decreased from a high of 83% in late March to 44.25% in the June 20 auction.

- Improvements in the assessment of Mexican risk are also evident in the market for Mexico's dollar-indexed Treasury bills (Tesobonos). Tesobono yields have dipped to 11% after reaching highs above 30%. Moreover, many investors are redeeming their Tesobonos for pesos rather than dollars, suggesting that they feel more confident holding peso-denominated assets.

The market for U.S.-backed Brady bonds also reflects a return of confidence in Mexico, as well as other emerging markets.

- The price of the benchmark Mexican Par Brady bond has staged a sustained recovery, rebounding to within 8% of its pre-devaluation level as of June 22. With the U.S. backing stripped out to better gauge Mexican sovereign risk, the Par has rallied nearly 60% since its low on March 16, 1995.

- The wider Latin American Brady bond market has reacted favorably to developments in Mexico. The spreads over U.S. Treasuries on the stripped portion of Brady bonds in Argentina and Brazil fell along with that of the Mexican Par, suggesting that the crisis of confidence which Mexico's situation created in other emerging markets has subsided.

II. f. Developments in the Banking Sector

Mexico's banking system remains severely strained

The financial condition of the Mexican banking system has deteriorated significantly, as many borrowers are unable to repay their loans due to current economic conditions and high interest rates.

- Non-performing loans increased from 7.4% of total loans at the end of December 1994, to 9.6% on March 31, 1995, and 10.1% on May 31.

- The capital-asset ratio also continued to decline, to 5.1% on March 31, 1995, compared to 5.3% as of year-end 1994, though the March level improved to 5.8% if subordinated debt issued as part of the government's temporary capitalization program (PROCAPTE) is included.

National Banking and Securities Commission has improved banking supervision

The National Banking and Securities Commission (NBSC), the banking system's supervisory body, has taken a number of significant steps to improve its supervisory capabilities.

- In April, 1994, the NBSC underwent reorganization and initiated an institutional development plan. In addition, the hiring focus for supervisory staff shifted from accountants to a diversified base of college graduates.

- The focus of its approach has changed to emphasize risk management, internal controls, disclosure and consolidated supervision. Also, with World Bank assistance, the NBSC is upgrading its capabilities in licensing, regulatory and supervisory policy development, on-site supervision, off-site analysis, regulatory reporting and accounting principles, and internal budgeting and information systems.

- Mexico's current crisis has stretched the NBSC's capacity. The World Bank and numerous private sources, including U.S. commercial banks, have provided the NBSC with foreign technical assistance in the area of on-site examinations to evaluate the quality of the banks' loan portfolios and to determine adequate reserve levels. Bank examiners from the FDIC, the Office of the Comptroller of the Currency, and the U.S. Federal Reserve are also providing training to Mexican bank examiners.

The Mexican Government has responded with important initiatives

The primary effects of the crisis on the banking system have been a deteriorating loan portfolio and a dollar liquidity squeeze, because many of the banks' dollar liabilities are not being renewed. The Mexican authorities have responded with a number of initiatives to (1) mitigate the impact of the peso crisis on the banking system (FOBAPROA lending, PROCAPTE, UDI program); (2) restructure the legal, regulatory and supervisory environment to lead the system toward health over the medium term; and (3) encourage an inflow of new capital into the banking system, particularly from foreign investors.

- FOBAPROA , the bank guarantee fund, has been providing dollar liquidity to the system, though banks have significantly reduced their FOBAPROA borrowing since April. FOBAPROA has also assumed management responsibility for three banks, Banco Union, Banca Cremi and Banpais, which were intervened because of poor management practices and misleading reporting to the NBSC .

- PROCAPTE is a temporary capital assistance program (administered by FOBAPROA) to provide relief to banks unable to meet the minimum regulatory standards. Banks in the program must meet a 9% minimum capital standard and sell mandatory convertible subordinated debt to FOBAPROA , with a five-year maturity. At maturity, if the bank has been unable to restore its capital base, the debt will automatically convert to equity, thus diluting or eliminating the current shareholders' ownership. The debt can also be converted at any time during the five years if the bank's capital falls below 2%. The funds received from the sale of the subordinated debt must be deposited at the Bank of Mexico. Currently six banks have joined PROCAPTE and have issued approximately $1 billion in subordinated debt.

- The Investment Unit Program (UDI) was created to help banks restructure portions of their loan portfolios. Banks will be able to segregate a portion of their loan portfolios and convert the loan values into UDIs. The value of an UDI will equal the value of the loan at the initial conversion. UDI values will be adjusted monthly to reflect changes in the consumer price index. Because the UDI is indexed, the interest rate paid by the borrower will be a real rate, enabling borrowers to resume payment of interest and amortize the principal over an extended maturity (6 to 12 years).

- Mexico's banking law has been amended to facilitate foreign investment. Prior to the amendments, a foreign bank had to control 99% of a bank's shares to operate it as a subsidiary. Now only a 51% majority is required. In addition, the aggregate market-share limitation on foreign institutions' ownership of the Mexican banking system was increased to 25%. Previously, the aggregate market share limit had been 8%, increasing to 15% by January 1, 1999. Under the amended law, the market share limit will be phased out by the year 2000.

- The NBSC recently announced an agreement reached by Banco Bilbao-Vizcaya (BBV) and Multibanco Mercantil Probursa (Probursa). Under the agreement, BBV will increase its ownership share in Probursa from 20% to 70% and inject $350 million in capital into the holding company. As part of the agreement, FOBAPROA will purchase approximately $700 million in loans from Probursa and issue the bank a ten-year Government of Mexico bond in exchange.

- The week of June 12, Banca Serfin announced that it had reached agreement with the Government of Mexico and its investor group on a restructuring plan. The plan was patterned after the previously announced Probursa deal. The Serfin shareholders will absorb all costs in fully provisioning the loan portfolio. After the portfolio has been provisioned, the shareholders will inject approximately $350 million in capital. Serfin will repay its PROCAPTE debentures. The Government of Mexico will purchase from Serfin approximately $700 million in loans.

- The NBSC has stepped up supervisory reforms to improve the skills of the NBSC staff, accounting and disclosure reforms, technical assistance to conduct on-site inspections, loan classification and provisioning standards, and bank regulatory reports. These reforms are supported by World Bank loans.

Financial sector loans help the government mitigate effects of the peso crisis

In June, 1995, the World Bank and the Inter-American Development Bank (IDB) Boards of Directors approved five loans for Mexico totaling $2.8 billion.

- On June 21, the IDB Board approved a $750 million loan for the financial sector.

- On June 22, the World Bank Board approved a one billion dollar loan for the Financial Sector Restructuring Program, and a $13.8 million financial sector technical assistance loan.

Funds provided by the two multilateral development banks will be used to provide foreign exchange quickly (both have mechanisms so that substantial funds can be provided in July), and to help restructure the banking system.

The financial sector loans will support many of the initiatives the Mexican Government has taken to mitigate the impact of the peso crisis on the banking system, while allowing the Mexican Government to broaden, deepen and institutionalize reforms. Specifically, the funds will help: (i) restore solvency and soundness to Mexico's banking system; (ii) reform accounting standards and prudential regulations for the banks; (iii) improve the Bank of Mexico's system of providing liquidity; and (iv) reform development bank lending. They will help the government to:

- Develop guidelines and procedures to reinforce discipline in the provision of liquidity from the Bank of Mexico and the development banks to the banking system;

- Conduct diagnostic studies with the assistance of an independent auditor and using U.S. accounting and loan classification standards, to determine the financial condition of intervened banks and banks receiving assistance under the PROCAPTE program;

- Develop and implement bank restructuring plans in a transparent manner and in accordance with market mechanisms;

- Formulate accounting standards consistent with U.S. GAAP, strengthen disclosure requirements, enforce audit guidelines and improve real estate appraisal standards;

- Reform and update prudential regulations, including loan classification and provisioning standards;

- Develop guidelines for securitizing assets; and

- Evaluate the impact of establishing risk-based eligibility criteria for development bank exposure to commercial banks.

II. g. Mexico's Social Safety Net and Long-Term Development Strategies

Mexico's Government has implemented measures to protect the poor

To limit the adverse effects of its austerity program on lower income households, the Mexican Government has implemented several measures in 1995.

- The government increased the minimum wage by 7% in January and by an additional 12% in April.

- Real spending on social services, such as education, health and potable water projects, has been cut much less than other discretionary programs. As a result, a greater share of public sector discretionary spending went to social services during the first quarter of 1995 (59%) than during the first quarter of 1994 (55%).

- The Mexican Government's March program includes a 3% earned income tax credit for those earning up to 4 times the minimum wage. In January, the government had provided a 3% tax credit for workers earning up to twice the minimum wage.

- The March program also increased, for 1995, the period during which unemployed workers would be covered by public health insurance from two to six months.

- The government also announced in March that it would fund a short-term rural employment program, costing NP 1.7 billion, to create approximately 550,000 jobs in public works in regions of high poverty and unemployment.

- In June, the government announced it will initiate a NP 300 million road conservation program which will generate another 120,000 jobs during the next six months.

- The government also increased producers' subsidies for bread, tortillas, and milk by NP 3.5 billion to protect the poor from rapid increases in the prices of these basic foods.

- Finally, the government increased funding for the PROBECAT program, which provides short-term job training.

Multilateral bank loans will help buffer the short-term impact of adjustment on Mexico's poorest citizens

The $2.8 billion in loans approved by the Boards of Directors of the IDB and the World Bank in June included $1 billion for social services:

- On June 21, the IDB Board approved a $500 million loan for the essential social services.

- On June 22, the World Bank approved a $500 million social services loan. This loan will provide the Mexican Government with excess reserves, since 78% of the program's costs are in pesos.

- The social sector loans from the IDB and the World Bank are designed to ensure that certain essential services are protected from budget cuts due to the austerity program and will help cushion the blow of the economic crisis to the poor by funding job retraining and short-term rural employment programs.

In addition, the loans will support: (1) *basic education* by, inter alia, providing textbooks, and supporting a program which sends teachers to primary schools in isolated rural areas; (2) *basic health services* by, inter alia, supporting the acquisition, storage, and distribution of vaccines, pharmaceuticals, and medical supplies; (3) *nutrition* by funding nutrition programs for vulnerable groups in the poorest areas; and (4) programs to monitor and evaluate project expenditures.

Zedillo Administration presents long-term development blueprint

Mexico's National Development Plan for 1995-2000, which President Zedillo announced on May 28, represents a broad statement of the Administration's priorities for the next six years.

- The Plan focuses on Mexico's foreign policy, the rule of law, political reform, and social development and emphasizes the Zedillo Administration's commitment to stay the course with its efforts to stabilize the economy.

- The Plan also underscores the importance of raising the level of domestic saving to promote Mexico's long-term economic growth. The plan sets a goal of increasing the ratio of domestic savings to GDP from 16% in 1994 to 22% by the year 2000. To achieve this the Mexican Government plans to:

  (1) reform its tax system, relying more heavily on consumption taxes, and less heavily on income taxes.

  (2) adjust corporate income taxes in such a way as to promote the reinvestment of profits.

  (3) promote, through reform of bank regulation, a wider range of financial instruments and services.

- Finally, the Plan pays particular attention to the need to invest in the Mexican people, to ensure that Mexico's return to prosperity improves the quality of life for all Mexicans.

III. Disbursements, Swaps, Guarantees and Compensation to the U.S. Treasury

As of June 23, 1995, $11 billion in U.S. funds have been disbursed to Mexico under the support program, of which a total of $10 billion remains outstanding -- $2 billion in short-term swaps, and $8 billion in medium-term swaps. To date, the United States has not extended any guarantees to Mexico under the support program approved by the President on January 31, 1995.

- Under the swap agreements, Mexico purchases dollars and credits a corresponding amount of pesos to the U.S. account at the Bank of Mexico. On the maturity date, Mexico repurchases the pesos and pays back the dollars. Both the short-term and medium-term swap facilities require Mexico to maintain the dollar value of peso credits to the United States, adjusting the amount of pesos on a quarterly basis, in accordance with changes in the dollar-peso exchange rate.

- As provided for in the agreements, the Government of Mexico must pay the Treasury interest on the swap balances outstanding. The interest charges applied to short-term swaps are designed to cover the cost of funds to the Treasury, and thus are set at the inception of each transaction at the current Treasury Bill rate.

- Interest charges applied to the medium-term swaps are designed to cover the cost of funds to the Treasury plus a premium for the credit risk associated with the extension of such funds, as assessed at the time of each disbursement. Paragraph 6(d) of the Medium-Term Exchange Stabilization Agreement (the Medium-Term Agreement) provides that interest rates on swaps with Mexico are "intended to be at least sufficient to cover the current U.S. Government credit risk cost for Mexico."

- For each disbursement under the Medium-Term Agreement, the premium is the greater of (1) a rate determined by the U.S. Government's inter-agency country risk assessment system (ICRAS) as adequate compensation for sovereign risk of countries such as Mexico, or (2) a rate based on the amount of U.S. funds outstanding to Mexico from short-term swaps, medium-term swaps, and loan guarantees at the time of disbursement.

- Mexico has not missed any interest payments or principal repayments under any of the swaps.

As of June 23, 1995, $9.5 billion has been disbursed through the ESF, of which $9 billion remains outstanding.

The schedule of swaps outstanding under both ESF and Federal Reserve swap lines is as follows:

Short-term swaps

- On January 11 and January 13, 1995, Mexico made two drawings of $250 million each under short-term swaps through the ESF. Mexico repaid these drawings on March 14, 1995.

- On February 2, 1995, the U.S. disbursed $1 billion under a short-term swap through the ESF; Mexico renewed this swap for an additional 90-day period on May 3, 1995. The current quarterly interest rate is 5.75%.

Medium-term swaps

- Mexico drew $3 billion under a medium-term swap on March 14, 1995. The current quarterly interest rate is 8.1%.

  Repayment is to be made in seven installments as follows: six equal installments of $375 million each, payable on June 30, 1998 and each successive calendar quarter date to and including September 30, 1999; and one installment of $750 million, payable on December 31, 1999.

- On April 19, 1995, Mexico made a second $3 billion drawing through a medium-term swap. The current quarterly interest rate is 10.16%.

  Repayment is to be made in twelve installments as follows: eleven equal installments of $245 million each, payable on June 30, 1997 and on the last day of each successive calendar quarter, to and including December 31, 1999; and one installment of $305 million, payable on March 31, 2000.

- Most recently, on May 19, 1995, Mexico drew $2 billion under a medium-term swap. The current quarterly interest rate is 10.16%.

  Repayment is to be made in twelve installments as follows: eleven equal installments of $170 million each, payable on June 30, 1997 and on the last day of each successive calendar quarter, to and including December 31, 1999; and one installment of $130 million, payable on March 31, 2000.

Federal Reserve swaps

Disbursements to Mexico through the Federal Reserve System total $1.5 billion, with $1 billion outstanding. All Federal Reserve disbursements are in the form of short-term swaps.

- On January 11 and January 13, 1995, Mexico made two drawings of $250 million each under short-term swaps. Mexico repaid these drawings on March 14, 1995.

- A short-term swap of $1 billion was extended on February 2, 1995; Mexico renewed the swap for an additional 90-day period on May 3, 1995.

IV. Mexico's Financial Transactions

Effective upon the signing of the agreements on February 21, 1995, and prior to each disbursement, Mexico must provide Treasury with information on the intended use of U.S. funds, and Treasury must verify that such uses are consistent with Mexico's Financial Plan.

- To date, Mexico has requested and Treasury has authorized the use of funds to redeem Tesobonos and other short-term, dollar-linked debt of the Mexican Government and its agencies. As of June 14, 1995, Mexico has used $7.2 billion in U.S. funds to redeem Tesobonos and $2.8 billion to accumulate reserves for future redemptions of Tesobonos and other short-term obligations.

With U.S. and other international support, Mexico has reduced the amount of outstanding Tesobonos, or short-term, dollar-linked government debt, by roughly $19 billion since the beginning of 1995.

- Since the beginning of 1995, the amount of Tesobonos outstanding in public hands has declined from $29.2 billion to roughly $10.2 billion at the end of June.

V. Status of the Oil Facility

Payments through the Federal Reserve Bank of New York account

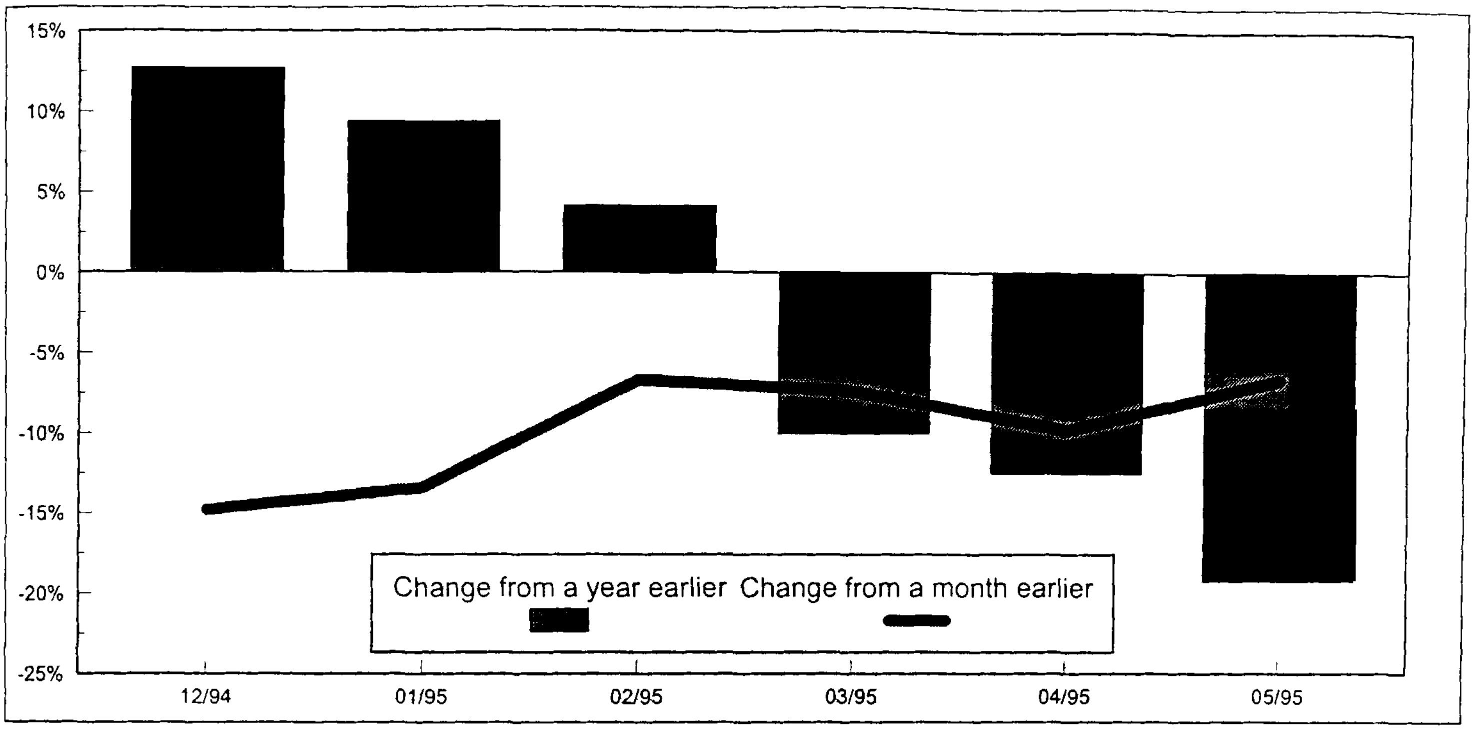
The payment mechanism, established under the Oil Proceeds Facility Agreement, continues to function smoothly.

As of June 23, 1995, almost $2.5 billion has flowed through Mexico's special funds account at the Federal Reserve Bank of New York since the agreement went into effect in early March. Approximately $25 to 30 million flows through the account each day. To date, there have been no set-offs against the proceeds from Mexico's crude oil, petrochemical, and refined product exports.

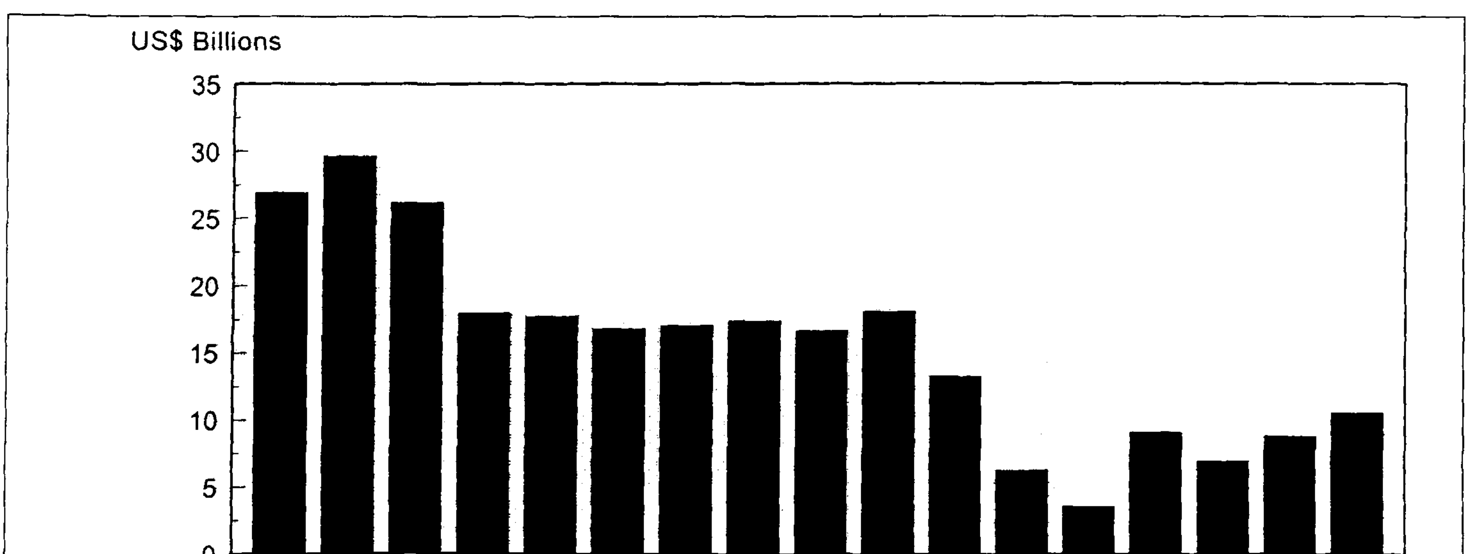
Graph a

Mexico's real monetary base continues to shrink...

Percent Change in Real Money



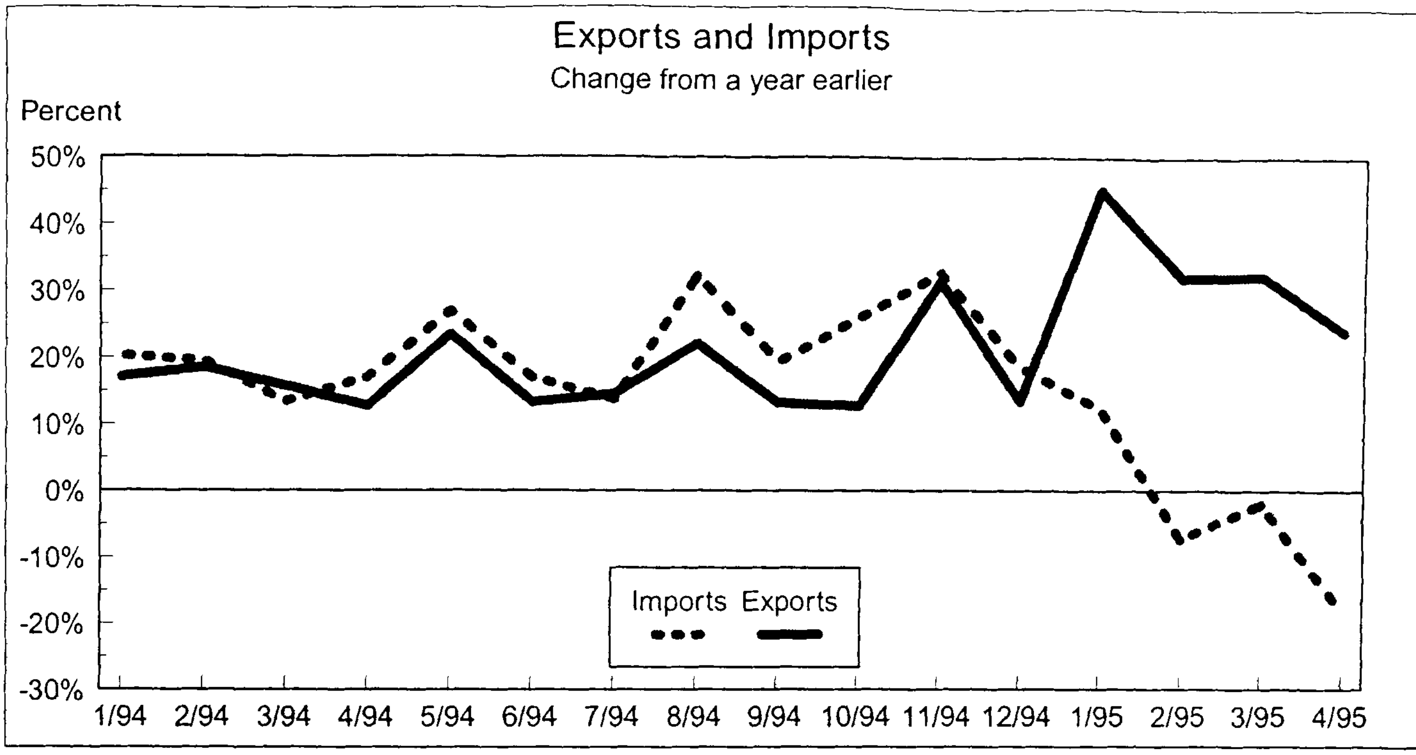
... as international reserves rise further over January lows.



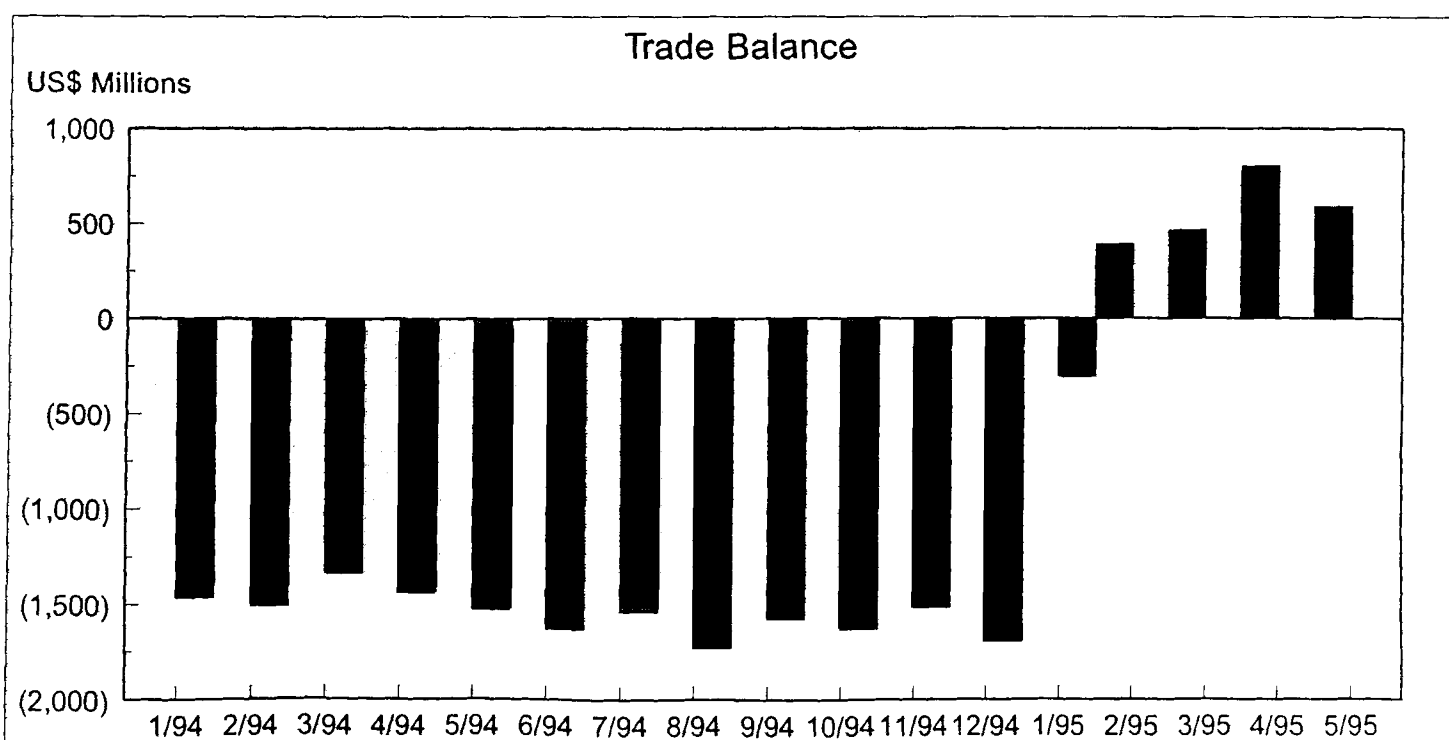
	Jan 94	Feb 94	Mar 94	Apr 94	May 94	Jun 94	Jul 94	Aug 94	Sep 94	Oct 94	Nov 94	Dec 94	Jan 95	Feb 95	Mar 95	Apr 95	May 95
International Reserves ■	26.842	29.550	26.135	17.909	17.668	16.732	16.952	17.301	16.583	17.990	13.130	6.148	3.483	8.977	6.850	8.705	10.438

Graph b

Imports continue to fall while exports remain strong...

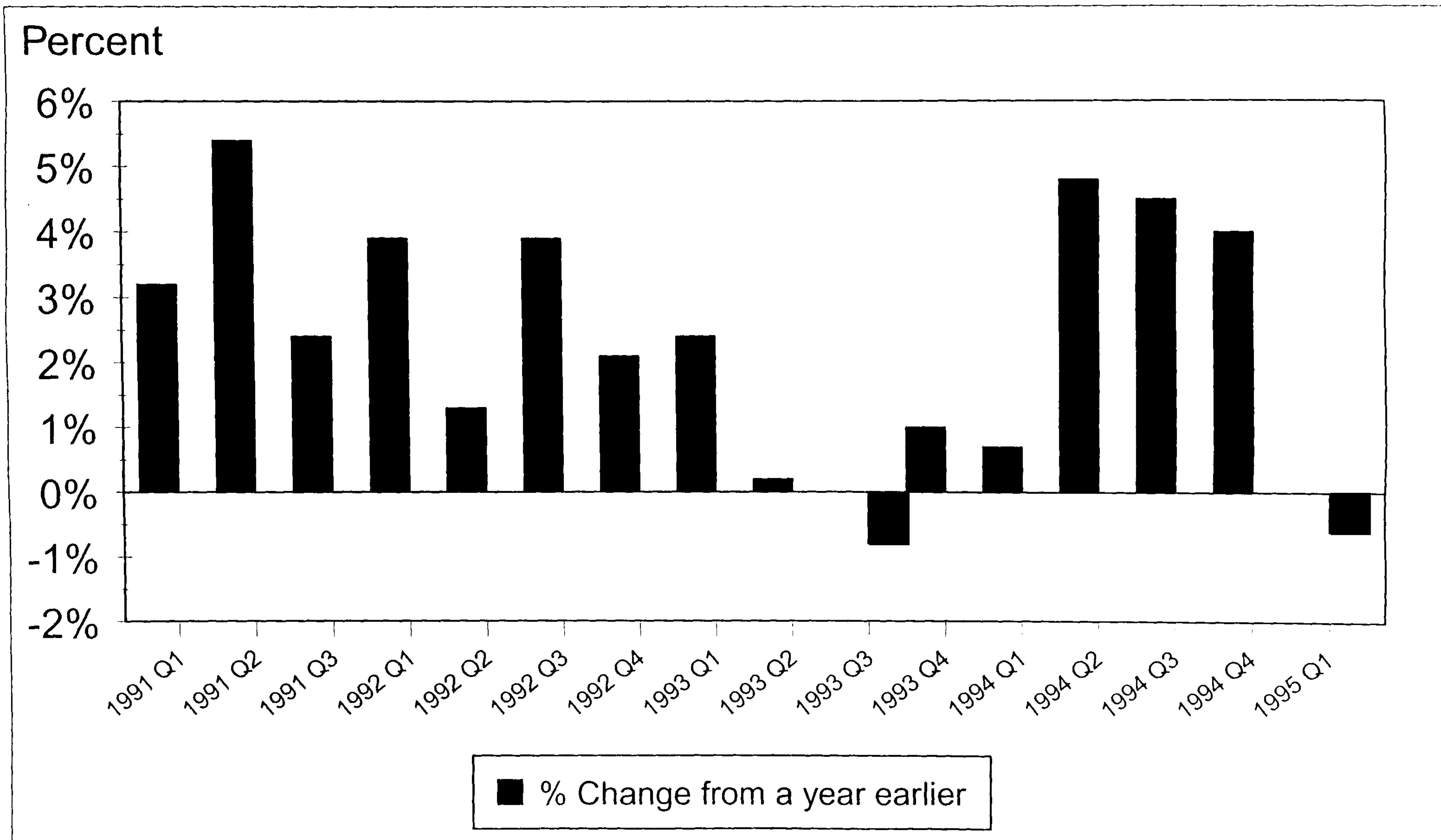


...producing a trade surplus for four consecutive months



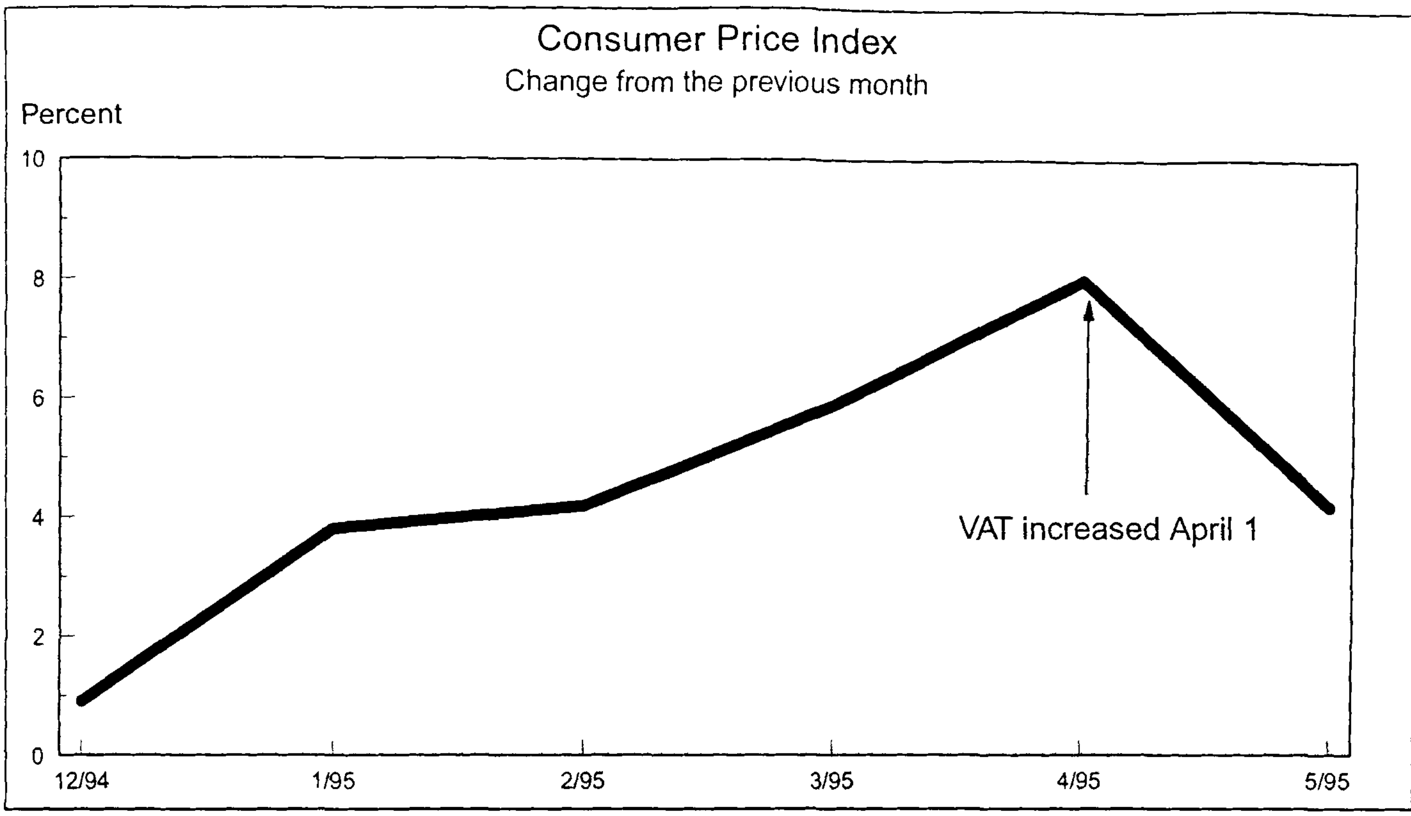
Graph c

First quarter GDP contracts after a strong increase in 1994

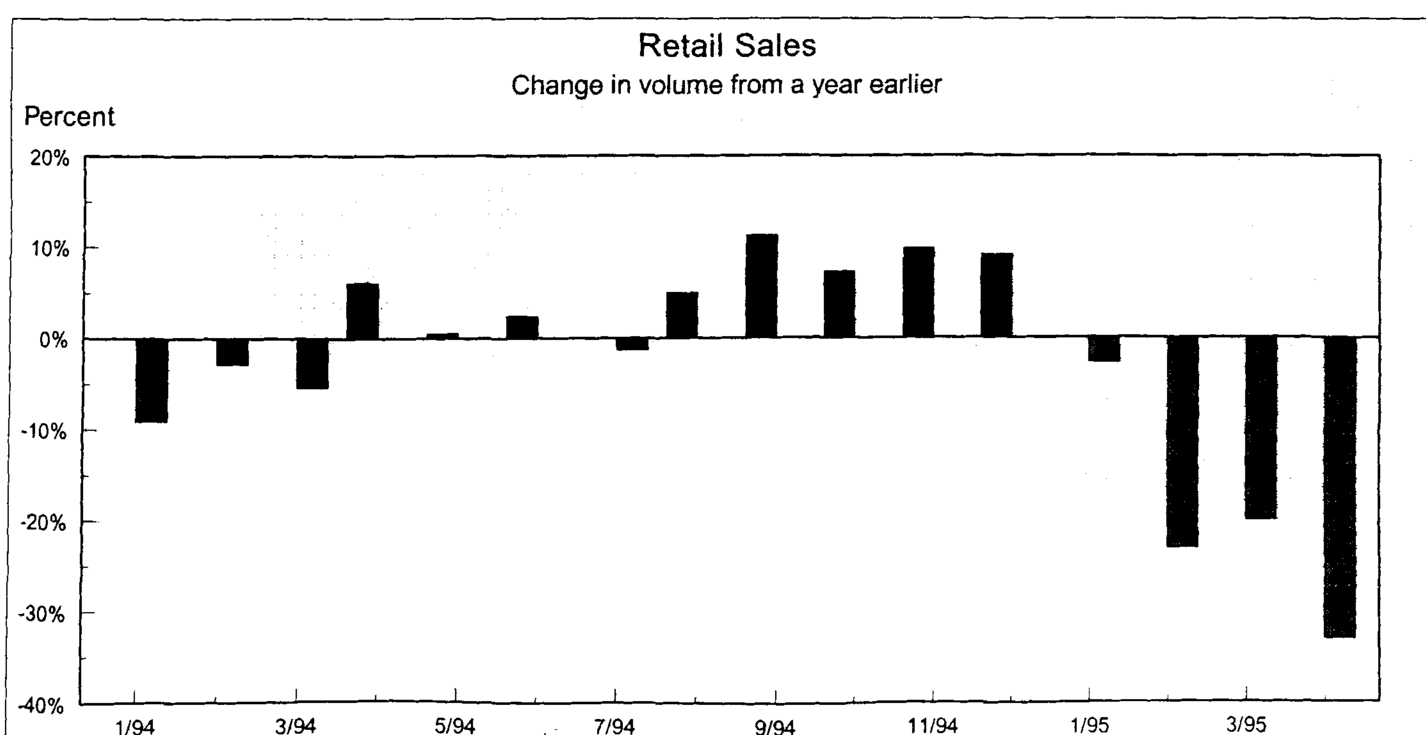


Graph d

Inflation has moderated...

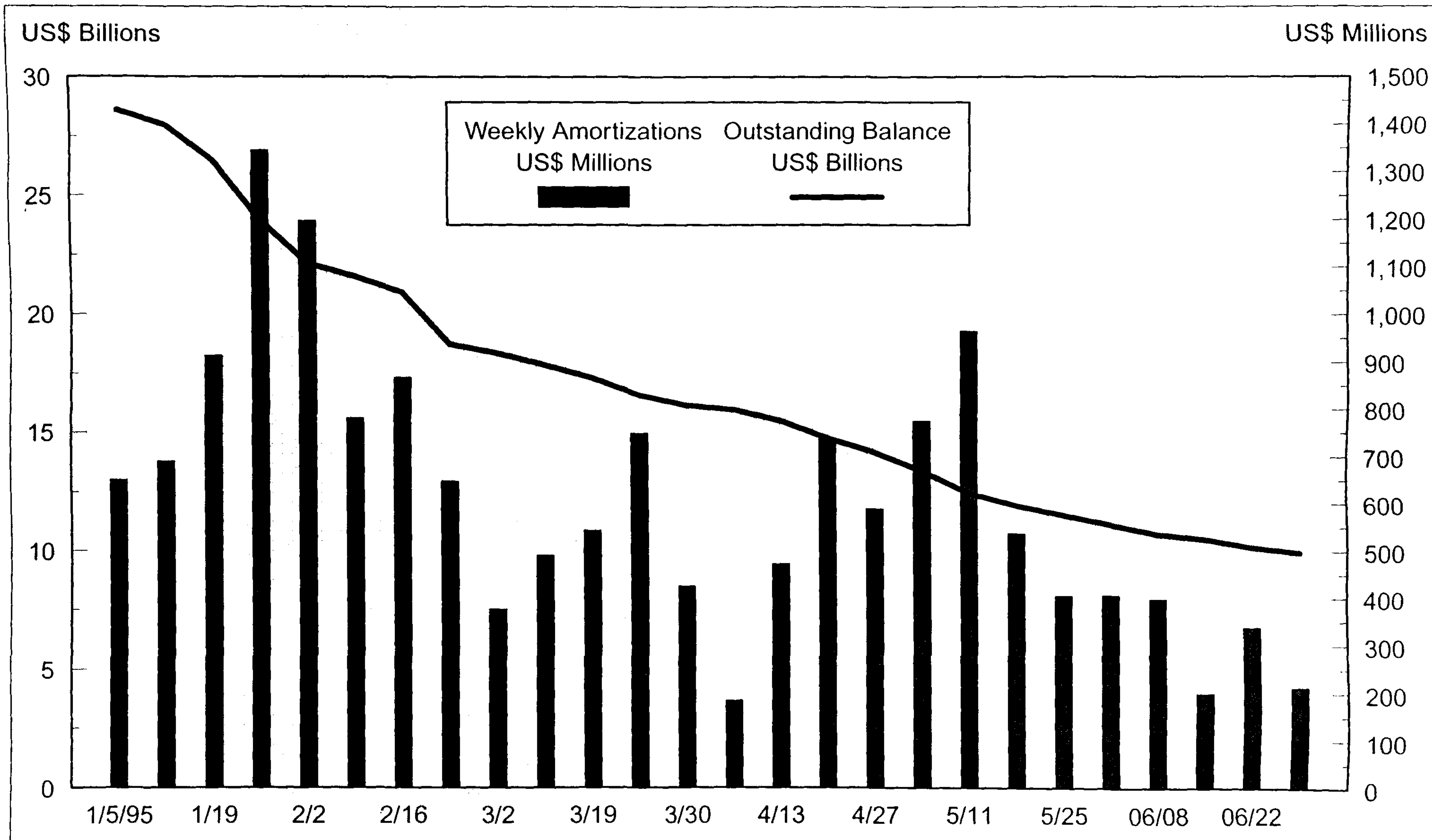


...as retail sales plunge.



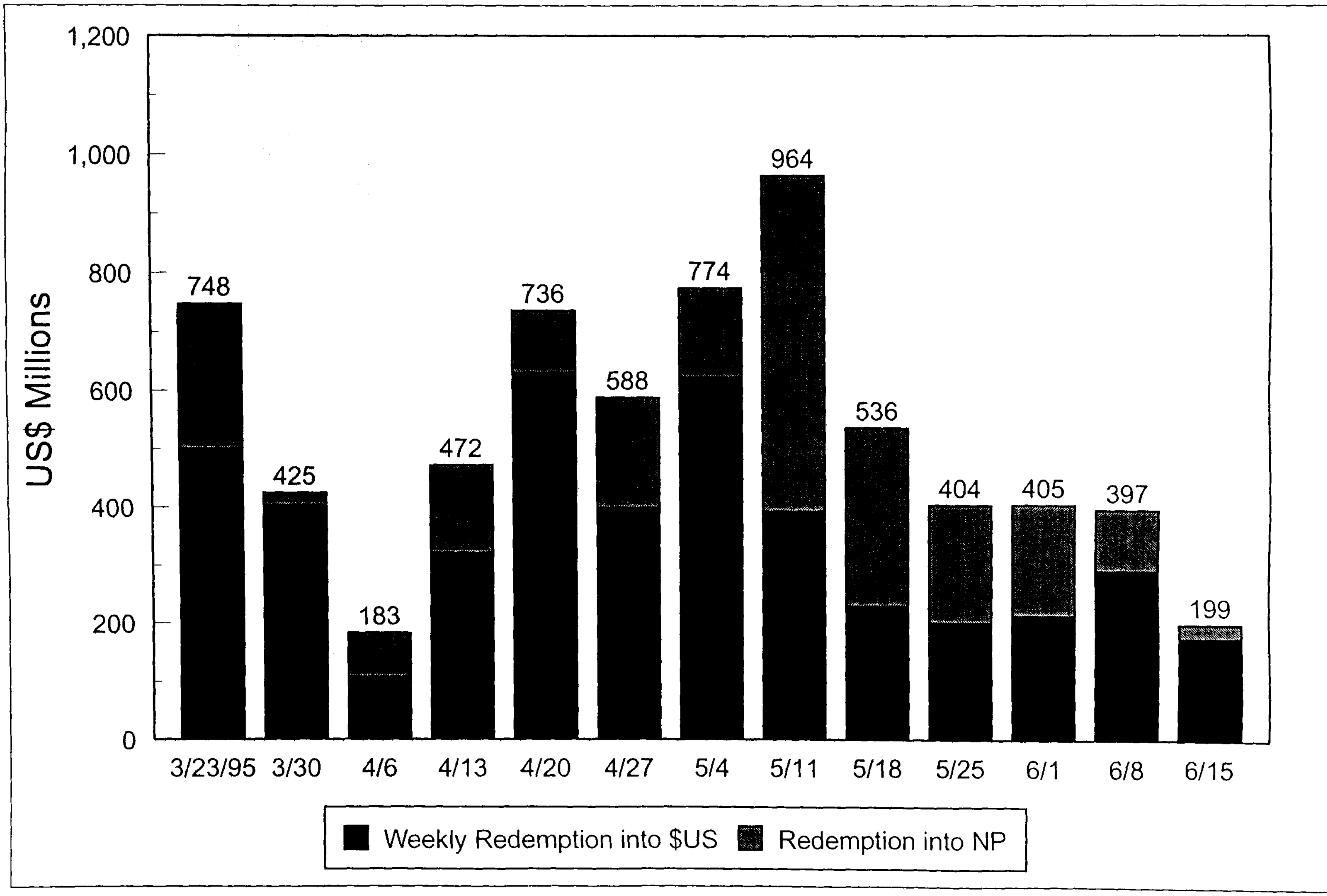
Graph e

Mexico has reduced its stock of short-term, dollar-linked debt by over $19 billion.



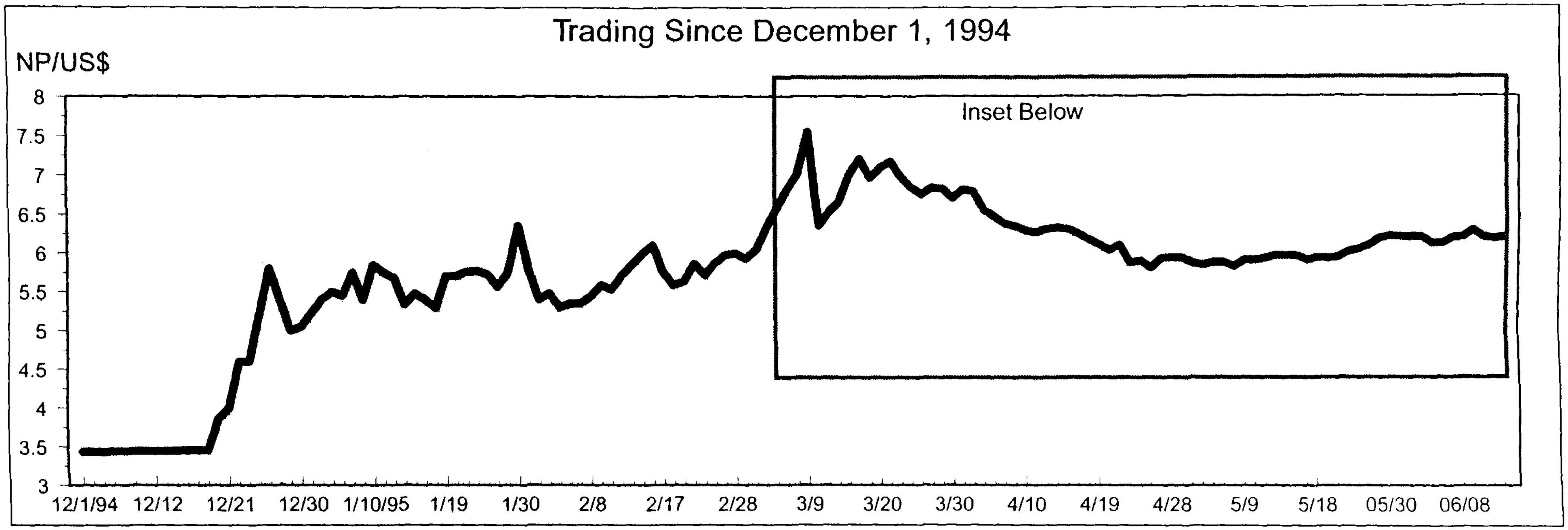
Graph f

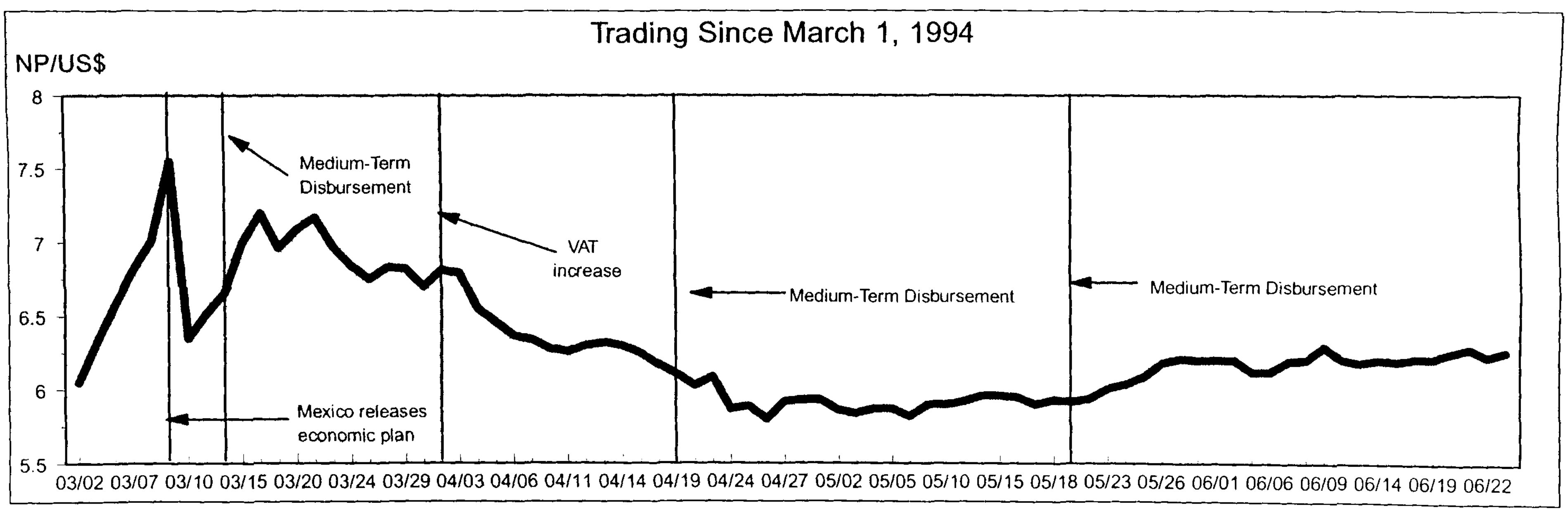
Investors are redeeming fewer tesobonos into dollars, reflecting increased confidence in Mexico.



Graph g

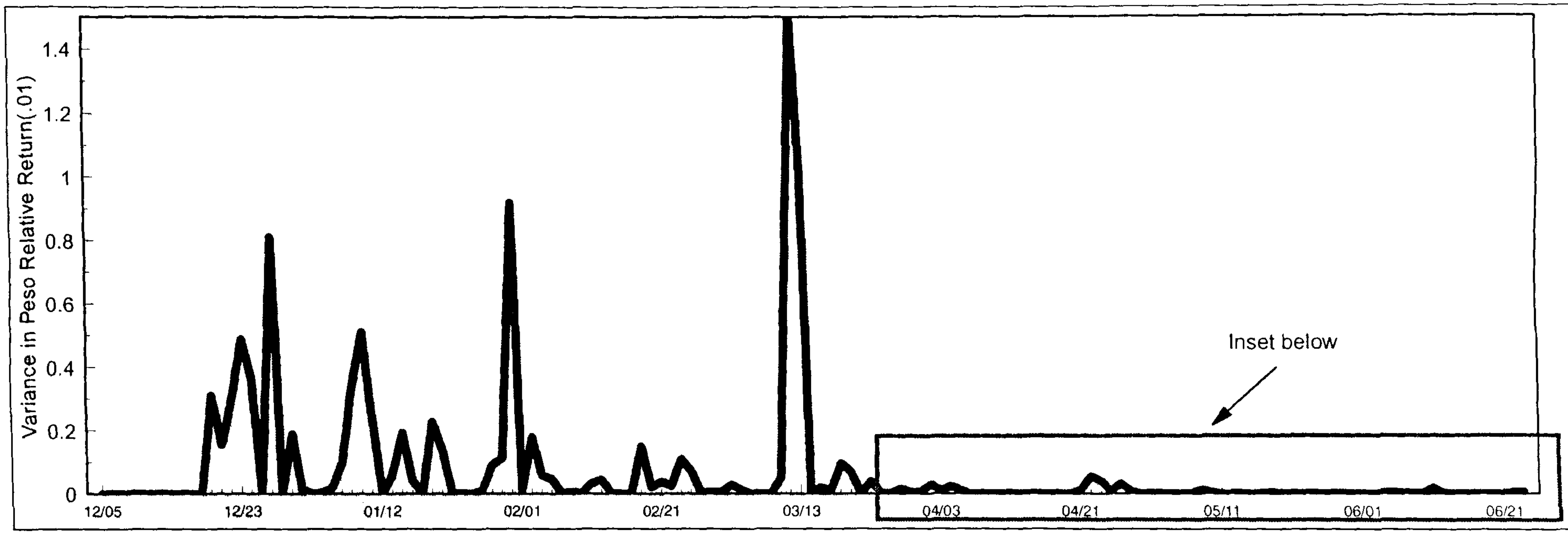
The peso has appreciated...



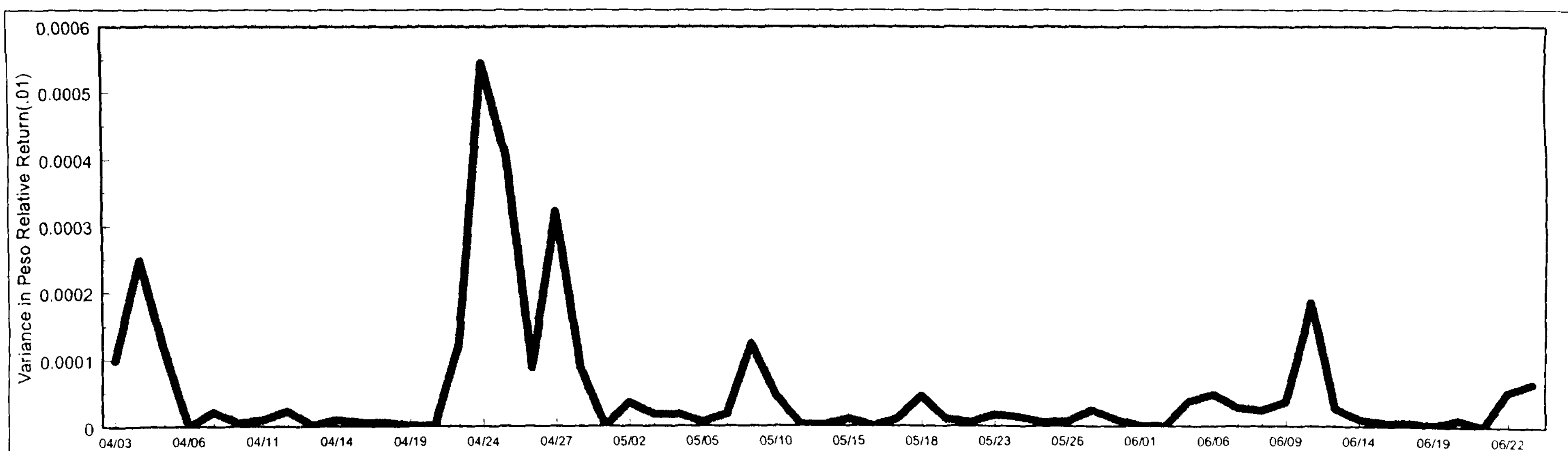


Graph h

... and has stabilized considerably

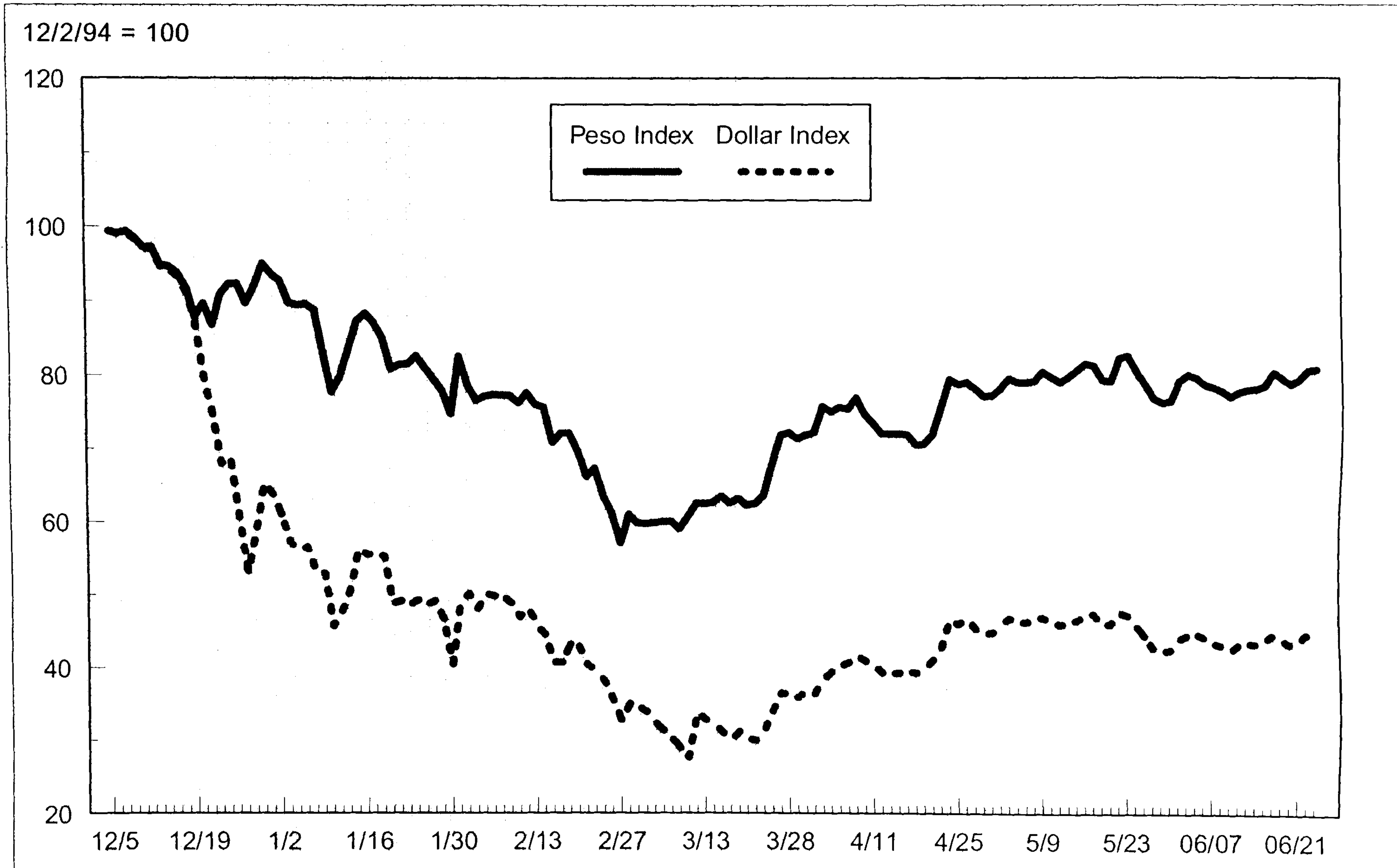


...trading within a narrow range in recent weeks



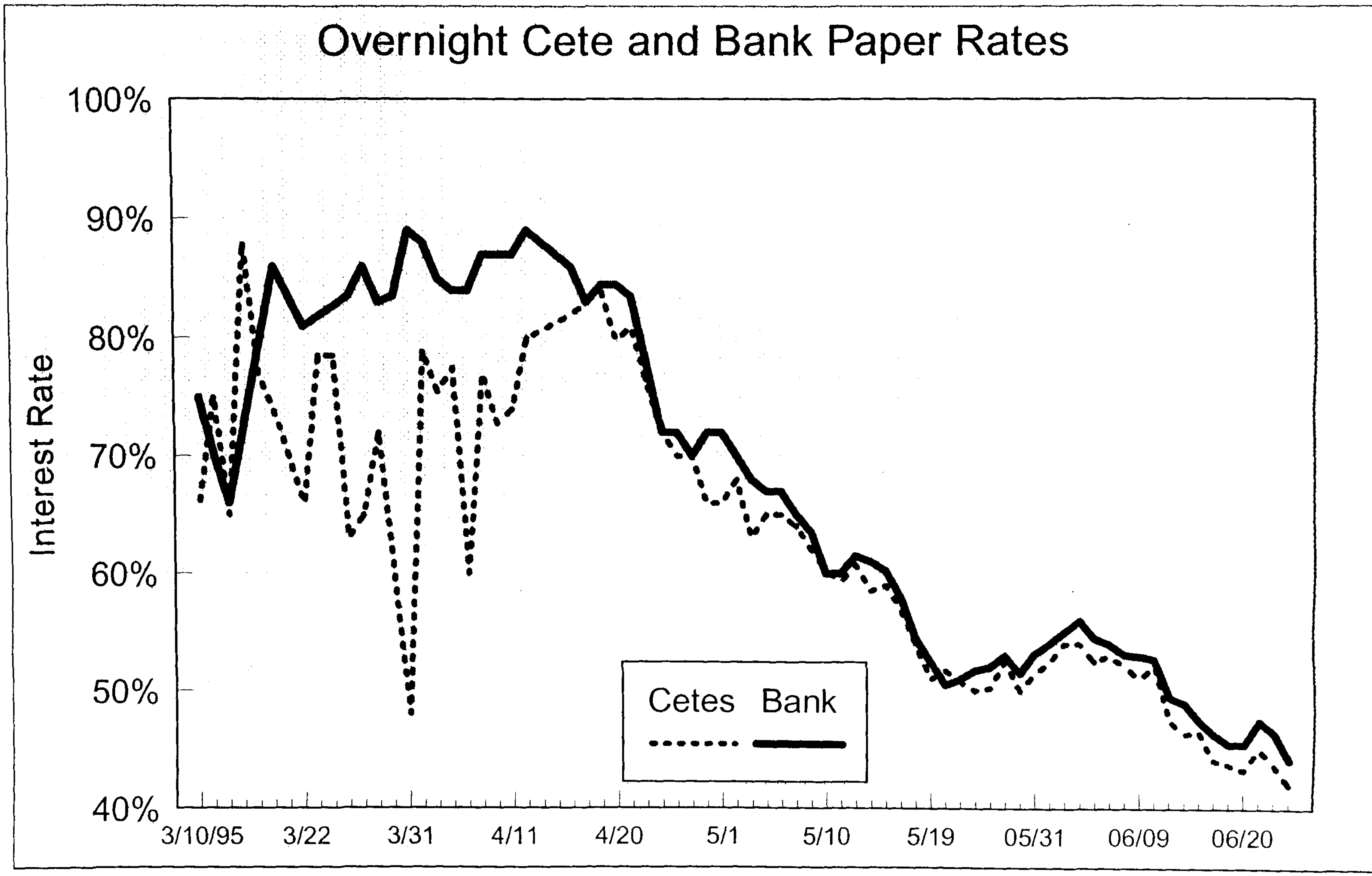
Graph i

The Bolsa has risen significantly from its February lows in both peso and dollar terms.



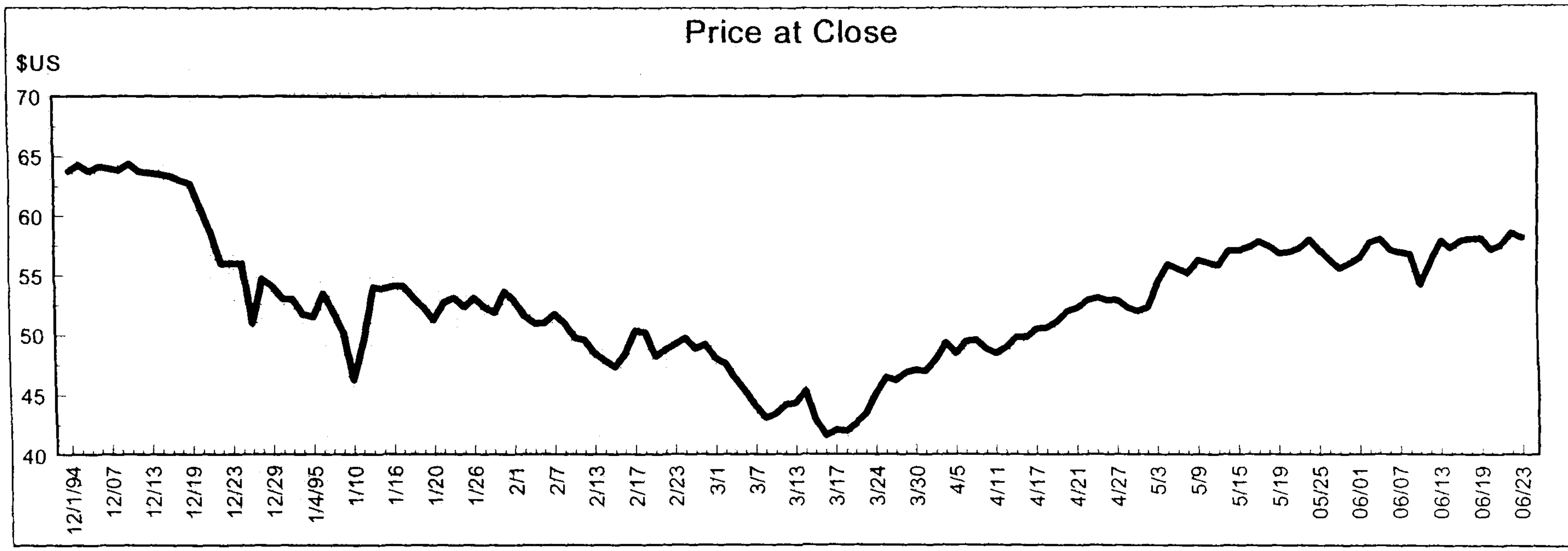
Graph j

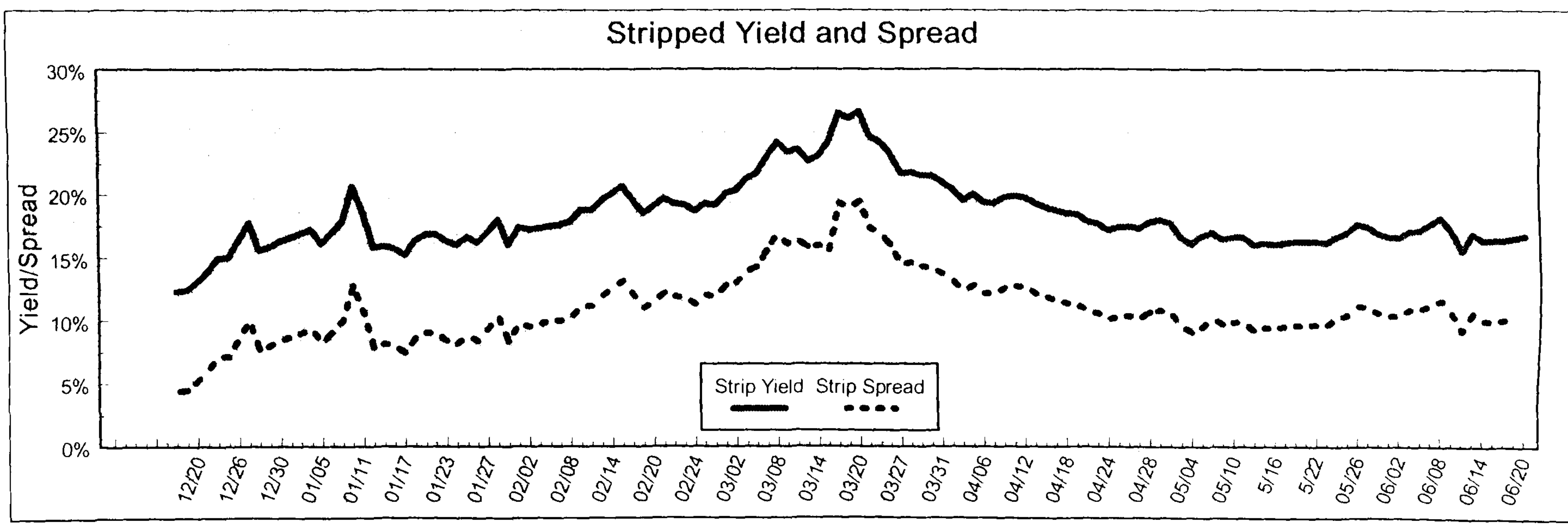
Interest rates have declined as investor expectations about inflation have moderated.



Graph k

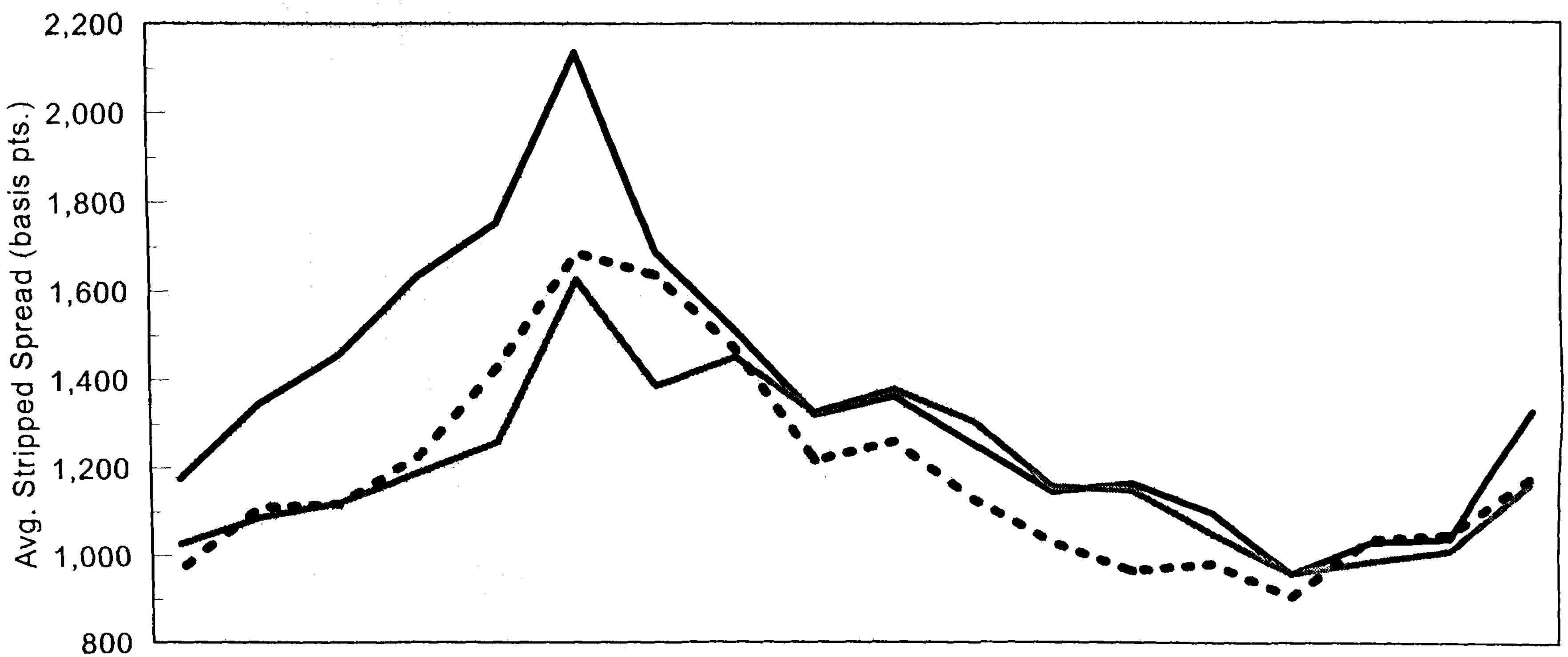
Mexican Par Brady bonds have staged a sustained recovery.





Graph I

As the "tequila effect" has abated, the Latin American Brady bond market has reacted favorably to developments in Mexico.



	02/03	02/10	02/17	02/21	03/03	03/09	03/13	03/27	04/04	04/11	04/19	04/27	05/03	05/10	05/17	05/26	06/01	06/09
Argentina	1,175	1,346	1,456	1,633	1,753	2,135	1,689	1,512	1,322	1,364	1,254	1,146	1,165	1,098	958	1,031	1,038	1,331
Brazil	1,026	1,087	1,120	1,189	1,259	1,627	1,387	1,453	1,327	1,380	1,307	1,157	1,150	1,050	959	987	1,011	1,160
Mexico	970	1,110	1,118	1,226	1,429	1,686	1,637	1,470	1,217	1,261	1,128	1,029	966	982	907	1,037	1,048	1,175

Averages based on selected Brady bonds, weighted according to market capitalization.

Semi-Annual Report

Semi-Annual Report to Congress by the Secretary of the Treasury on behalf of the President

THE DEPARTMENT OF THE TREASURY 1789

Pursuant to the Mexican Debt Disclosure Act of 1995

June 30, 1995

Contents

Appendix

I. Summary

Mexico continues to meet its commitments under the financial agreements signed by U.S. and Mexican authorities on February 21, 1995. The Mexican Government has adopted a rigorous adjustment program to put its economy back on the path to sustained economic growth. This program, supported by the international community, appears to be working.

Since the dissolution of the PACTO (the economic agreement between government, business and labor, which previously established guidelines for wage and price increases each year) in March, 1995, private sector wages have been market-determined. The Mexican Government maintains no formal controls on wages, with the exception of the minimum wage, which was increased by 7% in January and by an additional 12% in April. The real public sector wage bill is likely to drop in the next quarter, as wage increases negotiated to date have been less than expected annual inflation. Private sector negotiations have concluded along similar lines.

To tighten fiscal policy, the Mexican Government has increased prices of publicly provided goods (for example, electricity and gasoline) and services, including rates for railway, airport, and public toll roads. The government also increased producers' subsidies for bread, tortillas, and milk by NP 3.5 billion to protect the poor from rapid increases in the prices of these basic foods.

The Mexican Government has not implemented any new changes in tax policy over this reporting period. However, a number of measures taken previously continue to affect the economy. For example, in April, the government increased the value-added tax (VAT) from 10% to 15%. To help ease the effects of Mexico's economic adjustment on low income households, the Mexican Government's March program expanded the eligibility requirements for an existing 3% earned income tax credit to those earning up to four times the minimum wage.

The Mexican Government has been working on a broad array of measures to open certain sectors to private and foreign investment, as well as preparing state-owned enterprises for privatization. Privatization and structural reforms are designed to improve productivity and to attract foreign investment, speeding the return to growth and elevating Mexico's sustainable path once growth has resumed. As a result of these efforts, it appears possible that the Mexican Government can raise $12 to $14 billion in privatization revenues between 1995 and 1997, as stated in the Economic Policy Memorandum of the U.S.-Mexico agreements.

As of June 23, 1995, $11 billion in U.S. funds have been disbursed to Mexico under the support program, of which a total of $10 billion remains outstanding -- $2 billion under short-term swaps and $8 billion under medium-term swaps. To date, the United States has not extended any guarantees to Mexico under the support program approved by the President on January 31, 1995. Mexico has not missed an interest payment or repayment date under either the short-term or medium-term swaps.

As of June 15, outstanding loans, credits, and guarantees provided to the Government of Mexico by other U.S. agencies include: (1) approximately $2.7 billion outstanding in total exposure (including loans, guarantees, insurance, rescheduled loans, and claims and recoveries) to the Government of Mexico and its parastatals by the Export-Import Bank; (2) just over $2.5 billion in guarantees and loans outstanding, including $2.4 billion in the form of contingent liabilities, and $118 million in rescheduled loans, through the Department of Agriculture's Commodity Credit Corporation; and (3) some $13.8 million in loans outstanding to the Government of Mexico from the U.S. Agency for International Development.

The U.S. Department of the Treasury has been closely monitoring Mexico's compliance with the February 21 agreements and the Mexican Government's implementation of its stabilization program. Formal consultations at the policy level, as well as staff-level discussions on the performance of the Mexican economy, have underscored the position that Mexico should conduct its macroeconomic policies in such a way as to: (1) stabilize the peso; (2) limit inflation; and (3) promote the accumulation of international reserves.

Mexico has made substantial progress in solidifying the independence of the Bank of Mexico, strengthening the peso, and conducting strict monetary policy. Mexico's constitution provides that the Bank of Mexico, "shall be autonomous in the exercise of its function and administration," and that "[i]ts primary objective shall be to ensure the stability of the purchasing power of the national currency." As an independent central bank, the Bank of Mexico has clearly stated its monetary policy goals and has enacted a series of policy and institutional changes designed to achieve them.

Since the beginning of 1995, the Bank of Mexico has conducted a monetary policy designed to: (1) stabilize the value of the peso; (2) halt capital outflows and eventually restore inflows; and (3) reduce inflation, eventually to single digit rates. The path has not been easy, but Mexico has made substantial progress in its execution of this strategy. Monetary policy has been tight, and, in combination with other Mexican economic policy measures and the external support package, this has resulted in a strengthened and stabilized peso, a sharp decline in inflation, and an accumulation of reserves.

II. Changes in Wage, Price, and Credit Controls

Effective upon the dissolution of Mexico's last economic agreement, or PACTO, the only formal wage control in Mexico is the minimum wage, which was increased by 7% in January and by an additional 12% in April.

As noted in the fiscal policy section of the U.S. Treasury's June monthly report (attached), the real public sector wage bill is likely to drop in the next quarter, as wage increases negotiated to date have been less than expected inflation.

- Most noteworthy are agreements, reached with teachers and other government employees in May, to increase wages by 12% and benefits by 8%, effective in June. These terms will allow the Mexican Government to keep compensation increases well below the projected 42% rise in the CPI between December 1994 and December, 1995.

- Most private sector negotiations have concluded along similar lines. For now, it seems that most Mexican workers are more concerned about keeping their jobs than maintaining real wages.

The Mexican Government has increased prices of publicly provided goods and services.

- Gasoline prices were increased by 35% in March and are currently set to increase 48.5% for the year.

- Electricity prices were raised by 20% in April, and are currently set to increase by about 33% for the year.

- Rates for railway, airport, and public toll roads are being raised by 2.5% per month, and are set to increase by about 30% for the year.

- The Mexican Government also increased producers' subsidies for bread, tortillas, and milk by NP 3.5 billion to protect the poor from rapid increases in the prices of these basic foods.

III. Changes in Tax Policy

Measures taken early in 1995 remain important

While the Government of Mexico has not implemented any new changes in tax policy over this reporting period, a number of measures taken just prior to this reporting period continue to affect the economy, and therefore deserve mention.

- In April the government increased the value-added tax (VAT) from 10% to 15%.[1]

- In January, to help ease the effects of Mexico's economic adjustment on low-income households, the government instituted a 3% tax credit for workers earning up to twice the minimum wage.

- To supplement the income of low-income households, the Mexican Government's March program expanded eligibility requirements for the 3% earned income tax credit to include those earning two to four times the minimum wage.

- On March 31, the Mexican Government published interim guidelines on how *maquiladoras* should calculate transfer prices. Under the new rules, each *maquiladora* plant must either: (1) get approval from the Mexican Government on its transfer pricing policies; (2) report a profit of 5% of its assets, which would then be subject to the 34% corporate income tax; or (3) pay a tax of 2% on its assets (which would cost roughly the same as option 2).

- To boost private investment, the government increased depreciation rates for certain types of equipment.

- Finally, to help companies restructure, the Mexican Government has issued regulations to exempt companies from paying income taxes on profits when they sell shares of an affiliated company.

---

1 The VAT does not apply to food and pharmaceuticals.

IV. Privatization and Regulatory Reforms

Mexico is moving forward with important structural reforms

The Mexican Government has been working on a broad array of measures to open certain sectors to private and foreign investment, as well as preparing state-owned enterprises for privatization (see Table 1: "Mexican Structural Reforms").

- In April, the Mexican Congress approved a telecommunications law that will open both local and long-distance telecommunications services to private and foreign investment.
- Also in April, the Mexican Congress approved a law to allow private firms to build and operate natural gas pipelines. The new law will be important because it means that future investors in Mexico's petrochemical and electricity plants will no longer be dependent on PEMEX pipelines for natural gas, a key source of energy for both sectors. Mexican Government officials expect these reforms to bring in several billion dollars in foreign direct investment during the next few years.
- The Mexican Government is also considering proposals to allow private companies to distribute electricity locally so that buyers will be less dependent on CFE, currently the country's sole producer and distributor of electricity.
- The Mexican Government has already begun to sell concessions to operate port facilities and plans to auction several bands of its radio spectrum, as well as several petrochemical plants, later this year or early next year.
- Mexican Government officials are currently preparing regulations to privatize railroads, airports, satellites, toll roads, and electric power plants in 1996.

As a result of these efforts, it appears possible that the Mexican Government can raise $12 to $14 billion in privatization revenues between 1995 and 1997, as stated in the Economic Policy Memorandum of the U.S.-Mexico agreements.

Regulatory reform will take priority over raising revenue

The primary factor now affecting the timing of the privatization process is the need to prepare comprehensive regulatory regimes for sectors prone to monopolization.

- The Mexican Government has already sold off most of the companies it owned in unregulated competitive sectors, with the exception of PEMEX and a few other firms.

- Most firms now for sale are in industries such as telecommunications, electricity and transportation, which traditionally have been regulated in other countries. While the Mexican Government currently regulates these firms' activities through its ownership, it must develop regulatory regimes that promote competition and efficiency to ensure that state-owned, but regulated, monopolies are not simply transformed into privately-owned, unregulated monopolies.

- Mexican Government officials have made it clear that *before selling these firms* their highest priority is to develop proper regulations which promote competition and efficiency and protect consumers, with raising revenues and closing deals quickly as secondary concerns.

- Mexican Government officials have pointed out that in several sectors Mexico not only must develop regulations from scratch, but also needs to establish independent regulatory authorities.

Reforms attract investors with technical and management experience

- Mexican Government officials also want to bring in buyers with technical and managerial expertise, even if this means slowing the privatization process or raising less revenue.

- For example, in the recent auction for ports, buyers submitted two types of bids: one stated their technical qualifications while the other offered their price. Only after eliminating those firms which do not meet minimum technical qualifications have Mexican Government officials considered pricing.

- Further, the bidding rules allow Mexican Government officials to pick investors whose bid may be up to 2% less than the highest bid, if the officials believe the investors have superior technical qualifications.

Developments in Key Sectors

Ports

- The necessary laws allowing private investment in port facilities were passed during the Salinas Administration.
- In May, the Mexican Government received bids on 20 to 50-year concessions for several port terminals from 60 firms, primarily joint ventures between Mexican and foreign companies.[2]
- In June, the Mexican Government selected 21 firms as having the necessary technical qualifications, and expects to select winning bids by September.
- The Mexican Government has also established independent port authorities, which it plans to eventually privatize.
- Mexican Government officials are also working on privatizing an Atlantic Ocean port and a Pacific Ocean port and a connecting railway to establish a competitor to the Panama Canal.

Telecommunications

- In May 1995, the Mexican Senate approved a law to open the telecommunications market to private and foreign investors. The law opens both local and long-distance services to private investors.
- To enhance competition, the Mexican Government decided not to charge a licensing fee to new entrants, except for cellular phone and other specialized services, when the monopoly of Telefonos de Mexico (TELMEX) ends on January 1, 1997.
- While foregoing privatization revenues, Mexican Government officials expect foreign firms to invest several billion dollars in the telecommunications sector during the next few years.

---

2 The Mexican Government will privatize just the terminals, not the land, which will remain the property of the port authorities.

- Some key decisions, such as the rates and conditions TELMEX may impose for local phone line connections, have yet to be taken but are expected in the next few months.

- As in other sectors, the Mexican Government is working to set up an independent regulatory authority, similar to the Federal Communications Commission in the United States.

- The Mexican Government plans to auction part of its radio spectrum for specialized telecommunications services. Officials are working out how to divide Mexico's spectrum geographically. The government also plans to auction rights to provide cellular, paging and personal communication services during the next 12 months.

- Most large U.S. communications companies planning to enter the market expect to do so through joint ventures with Mexican firms.

- Foreign ownership of companies offering telecommunications will be limited to 49% of the companies' shares, except for cellular service, in which foreign investors may own a higher percentage with approval from the Mexican Government.

Natural Gas

- The Mexican Congress has approved a law allowing private companies to obtain concessions to build and operate natural gas pipelines. The Mexican Government is currently drafting regulations to implement the law.

- PEMEX will remain the sole producer of natural gas in Mexico, but private firms will now be able to supply imported natural gas.

- The law is important because it means that future investors in Mexico's petrochemical and electricity plants need no longer be dependent on PEMEX pipelines for natural gas, a key input for both sectors, which should boost demand for the facilities when they are sold.

- In addition to increasing the value of the petrochemical and electricity privatizations, Mexican Government officials expect foreign direct investment in gas pipelines to increase by several hundred million dollars during the next few years.

Petrochemical Plants

- Plans to privatize secondary petrochemical plants were postponed several times during the Salinas administration due to the decline in the price of petrochemicals.

- With the recent rise in the price of petrochemicals, Mexican Government officials are now working with financial advisors to determine the market value of various plants.

- The necessary laws and regulations have already been prepared.

- While the Mexican Government has eliminated PEMEX's monopoly on supplying natural gas, Mexican Government officials have not yet issued regulations regarding the sale of oil to the plants, over which PEMEX will retain a monopoly.

- Purchasers are likely to require some long-term guarantee from PEMEX on access and pricing of oil.

- Mexican Government officials are also working to resolve such issues as environmental liabilities, severance pay, and title to land.

- The Mexican Government plans to auction at least one plant and sell off the remaining plants by the end of 1996.

- Analysts expect most of the bidders to be joint ventures of foreign and Mexican firms. Foreign investment in secondary petrochemical plants will be limited to 40%.

Railroads

- The Mexican Government plans to offer concessions to operate on existing railroad tracks for up to 70 years. The Mexican Congress approved the necessary constitutional amendments in January, and approved a more detailed law governing the sales in April.

- To maximize competition, the Mexican Government will break up the rail system into several lines, each having access to Mexico City and a port on each ocean.

- However, as a result of this decision, the system will take longer to privatize and raise less revenue than if the Mexican Government had sold the entire system to one buyer. Even breaking up the current monopoly into geographically-based subsidiaries will take several months.

- Mexican Government officials are currently debating several regulatory issues, such as what common carrier obligations the new owners will have, and to what extent rates will be regulated.

- Work to be done includes valuing the railroad's extensive inventory, resolving environmental liabilities, negotiating severance pay with workers, determining the legal title to an extensive real estate portfolio, deciding how to handle squatters occupying railroad-owned land, and determining whether the government should assume pension liabilities incurred in the past.

- Mexican Government officials are also considering establishing an independent regulatory authority.

- As with ports, the Mexican Government plans to evaluate bidders' technical qualifications before considering the price of bids.

- Auctions are likely to occur either late in 1995 or during the first half of 1996.

- The law passed in April limits foreign investment to 49% of the companies' shares unless larger holdings are approved by the foreign investment commission.

Airports

- Officials are drafting a law to govern the sale of airport concessions, which they plan to submit to the Mexican Congress by October 1995. They expect to open the bidding in 1996.

Satellites

- The Mexican Government plans to sell the right to transmit from existing satellites in geostationary orbits above Mexico, as well as the right to launch new satellites. The Mexican Congress has already passed the necessary constitutional changes, as well as a law governing the sales.

- Mexican Government officials are now working on proposals to regulate transmission, which would affect privatization revenues. Mexican Government officials currently expect the auctions to take place in 1996.

Toll Roads

- The Mexican Government is planning to sell the right to operate certain additional toll roads.

- One factor slowing the sale is that Mexican Government officials are concerned that investors' demand for concessions will be weak because car traffic has fallen significantly due to the recession.

Electricity Generation

- In perhaps the most complicated, but potentially most valuable, privatization, the Mexican Government is preparing regulations both for the sale of electricity generation plants and the right to build new plants.

- In April, Mexico's Energy Minister announced that the Mexican Government is preparing a bill to allow private companies to distribute electricity locally so that buyers will be less dependent on CFE, currently the sole producer and distributor of electricity.

- However, the Mexican Government has not yet determined the conditions under which CFE will distribute electricity on long distance lines.

- Mexican Government officials are working on enhancing the independence of their Energy Regulatory Committee (counterpart to the U.S. Federal Energy Regulatory Commission) so that investors will be assured that rates between electricity plants and PEMEX and CFE are governed by an independent regulatory authority.

TABLE 1 Mexican Structural Reforms

Sector	Taken	Planned
LIBERALIZATION		
Natural Gas	-- passed law allowing foreign & private distribution, transmission, storage (4/95)	
Telecom	-- law passed opening local & long-distance services to competition (5/95)	-- foreign & private firms begin setting up operations to provide services (8/96) -- private firms offer services to public (1/97)
PRIVATIZATION		
Ports	-- published Federal Register notice (2/95) -- received technical bids (5/95) -- chose qualified bidders (6/95)	-- develop model contract (6/95) -- receive financial bids (7/95) -- select winning bids, sign contracts (9/95)
Radio Spectrum	-- law passed (5/95)	-- auction part of radio spectrum, cellular, paging services (late 1995) -- additional auction of radio spectrum, personal communications services (first half 1996)
Petro-chemicals	-- laws and regulations passed (1992)	-- invite bids on 1-2 plants (second half 1995) -- resolve such issues as environmental liabilities, severance pay, and title to land (second half 1995) -- invite bids on remaining plants (second half 1995) -- select winning bids, sign contracts (first half 1996)
Railroads	-- amended constitution to allow foreign & private ownership (1/95) -- passed law (4/95) -- selected financial advisors (5/95)	-- select environmental advisors (second half 1995) -- value inventory (second half 1995) -- prepare prospectus (second half 1995) -- develop labor strategy (second half 1995) -- complete regulations (second half 1995) -- publish Federal Register notice (first half 1996) -- receive bids (first half 1996) -- select winning bids, sign contracts (2nd half 1996)
Airports		-- submit law to Congress (first half 1996) -- receive bids (first half 1996) -- select winning bids, sign contracts (2nd half 1996)
Satellites	-- amend constitution to allow foreign & private ownership (1/95) -- pass law (4/95)	-- receive bids (first half 1996) -- select winning bids, sign contracts (second half 1996)
Toll Roads		-- sell securitized bonds (late 1996)
Electricity		-- prepare long-term strategy paper (late 1995) -- send law to Congress allowing local distribution of electricity (late 1995) -- sell several generation plants (late 1996)
Other Sectors		-- sell paper mill, warehouse company, seafood exporter, and a salt plant (1996)

Other Sectors

- By the end of 1996, Mexican Government officials also plan to sell several enterprises that were slated to be privatized under the Salinas Administration. These include a paper mill, a warehouse company, a seafood exporter, and a salt plant.

- The Mexican Government also maintains a minority share in the Bancomer bank (25%), and Mexicana Airlines (34%). Due to weakened prospects of both companies, neither is likely to be privatized soon.

V. Consultations with the Government of Mexico

IMF Reviews of the Mexican Economy

The IMF has not conducted a Board review during this reporting period; in May, an IMF mission visited Mexico to review developments and hold discussions with Mexican officials. The IMF Board will meet to review Mexico's compliance with the IMF standby arrangement in late June or early July, 1995. The next monthly report by the Secretary of the Treasury, due to the appropriate congressional committees on July 31, 1995, will address that review.

U.S. Treasury Policy Consultations

U.S. Department of the Treasury representatives have been closely monitoring Mexico's compliance with the February 21 agreements and the Mexican Government's implementation of its stabilization program.

Formal consultations at the policy level, as well as staff-level discussions on the performance of the Mexican economy, have underscored the position that Mexico should conduct its macroeconomic policies in such a way as to: (1) stabilize the peso; (2) limit inflation; and (3) promote the accumulation of international reserves. In addition, it has been the position of the U.S. Treasury Department to encourage the Mexican Government to remain in compliance with its IMF standby arrangement.

Formal Consultations

Treasury Secretary Robert E. Rubin and Under Secretary Lawrence H. Summers have participated in the following consultations with Mexican officials since April 10, 1995:

(1) Secretary Rubin and Under Secretary Summers met with Mexico's Finance Minister Guillermo Ortiz in Washington, on May 16, 1995.

(2) Under Secretary Summers visited Mexico on May 22-24, 1995, to meet with the following Mexican authorities: President Ernesto Zedillo, Finance Minister Guillermo Ortiz, PEMEX General Director Adrian Lajous, National Banking Commission President Eduardo Fernandez, and Bank of Mexico Governor Miguel Mancera, as well as with senior staff of each official.

(3) Under Secretary Summers met with President Zedillo's Chief of Staff Luis Tellez in Washington on June 8, 1995.

(4) On June 8 and 9, 1995, Under Secretary Summers met with top officials of the National Banking Commission including President Eduardo Fernandez, Vice President Patricia Armendariz, and Vice President Javier Gavito, at the U.S. Treasury Department.

(5) On June 28, 1995, Bank of Mexico officials visited Washington to discuss the provision of information with Treasury Department staff.

Treasury's Due Diligence Program

In addition to discussions at the policy level, U.S. Department of the Treasury staff have been closely tracking the implementation of the U.S. support package and the Government of Mexico's stabilization program.

In February, the Mexico Task Force (Task Force) was established within the Office of the Assistant Secretary for International Affairs to implement the February 21 agreements, including monitoring Mexico's compliance and ensuring the timely provision of information by the Mexican authorities, as called for under those agreements. Task Force members include international economists, attorneys, and financial analysts from within Treasury as well as from other U.S. Government agencies, with areas of expertise ranging from monetary policy to banking regulation to emerging financial markets.

Members of the Task Force consult regularly with their staff-level counterparts in Mexico. Daily communication includes phone calls and facsimile transmissions for the purposes of updating economic and financial data, monitoring financial markets, monitoring relevant transactions undertaken by the Mexican financial authorities, and following policy discussions and legislative developments within Mexico that affect both macroeconomic and structural policies. Moreover, Treasury staff have met with their contacts in Mexico on a number of occasions during the reporting period:

(1) On April 18-21, members of the Task Force visited PEMEX headquarters and held a series of meetings with representatives from PEMEX and its exporting subsidiaries. Topics included an overview of PEMEX, including discussions on PEMEX's corporate structure, trends in production and exports, financial statements, and plans to privatize the petrochemical industry.

(2) On May 7-12, 1995, members of the Task Force conducted a compliance mission in Mexico on bank supervision, monetary policy, and Mexico's Financial Plan.

(3) During the week of May 15, 1995, the Mexico Task Force hosted staff-level meetings with representatives of the Government of Mexico on compliance issues in Washington.

(4) From May 21-28, members of the Task Force conducted a compliance mission in Mexico on monetary policy, fiscal policy, privatization, and other structural reforms.

(5) From May 22-25, a Task Force member met with PEMEX officials in Mexico to discuss the oil facility agreement.

(6) During the week of June 8, top officials of Mexico's National Banking Commission visited Washington, to meet with Under Secretary Summers as well as members of the Task Force.

(7) On June 19, members of the Task Force visited Mexico to meet with the relevant Mexican financial authorities regarding the bank restructuring program and bank supervision issues.

VI. Disbursements, Swaps, Guarantees and Compensation to the U.S. Treasury

As of June 23, 1995, $11 billion in U.S. funds have been disbursed to Mexico under the support program, of which a total of $10 billion remains outstanding under short- and medium-term swaps. To date, the United States has not extended any guarantees to Mexico under the support program approved by the President on January 31, 1995.

- Under the swap agreements, Mexico purchases dollars and credits a corresponding amount of pesos to the U.S. account at the Bank of Mexico. On the maturity date, Mexico repurchases the pesos and pays back the dollars.

- Both the short-term (up to 1 year) and medium-term (3 to 5 years) swap facilities require Mexico to maintain the dollar value of peso credits to the United States, adjusting the amount of pesos on a quarterly basis, in accordance with changes in the dollar-peso exchange rate.

- As provided for in the agreements, the Government of Mexico must pay the Treasury interest on the swap balances outstanding. The interest charges applied to short term swaps are designed to cover the cost of funds to the Treasury, and thus are set at the inception of each transaction at the current Treasury Bill rate.

- Interest charges applied to the medium-term swaps are designed to cover the cost of funds to the Treasury plus a premium for the credit risk associated with the extension of such funds, as assessed at the time of each disbursement. Paragraph 6(d) of the Medium-Term Exchange Stabilization Agreement (the Medium-Term Agreement) provides that interest rates on swaps with Mexico are "intended to be at least sufficient to cover the current U.S. Government credit risk cost for Mexico."

- For each disbursement under the Medium-Term agreement, the premium is the greater of (1) a rate determined by the U.S. Government's inter-agency country risk assessment system (ICRAS) as adequate compensation for sovereign risk of countries such as Mexico, or (2) a rate based on the amount of U.S. funds outstanding to Mexico from short-term swaps, medium-term swaps, and loan guarantees at the time of disbursement.

- Mexico has not missed any interest payments or principal repayments under any of the swaps.

As of June 23, 1995, $9.5 billion has been disbursed from the ESF, of which $9 billion remains outstanding. The schedule of swaps outstanding under both ESF and Federal Reserve swap lines is as follows:

Short-term swaps

- On January 11 and January 13, 1995, Mexico made two drawings of $250 million each under short-term swaps. Mexico repaid these drawings on March 14, 1995.

- On February 2, 1995, the U.S. disbursed $1 billion under a short-term swap through the ESF; Mexico renewed this swap for an additional 90-day period on May 3, 1995. The current quarterly interest rate is 5.75%.

Medium-term swaps

- Mexico drew $3 billion under a medium-term swap on March 14, 1995. The current quarterly interest rate is 8.1%.

  Repayment is to be made in seven installments as follows: six equal installments of $375 million each, payable on June 30, 1998, and on the last day of each successive calendar quarter, to and including September 30, 1999; and one installment of $750 million, payable on December 31, 1999.

- On April 19, 1995, Mexico made a second $3 billion drawing through a medium-term swap. The current quarterly interest rate is 10.16%.

  Repayment is to be made in twelve installments as follows: eleven equal installments of $245 million each, payable on June 30, 1997 and on the last day of each successive calendar quarter, to and including December 31, 1999; and one installment of $305 million, payable on March 31, 2000.

- Most recently, on May 19, 1995, Mexico drew $2 billion under a medium-term swap. The current quarterly interest rate is 10.16%.

  Repayment is to be made in twelve installments as follows: eleven equal installments of $170 million each, payable on June 30, 1997 and on the last day of each successive calendar quarter, to and including December 31, 1999; and one installment of $130 million, payable on March 31, 2000.

Federal Reserve Swaps

Disbursements to Mexico through the Federal Reserve System total $1.5 billion, with $1 billion outstanding. All Federal Reserve disbursements are in the form of short-term swaps.

- On January 11 and January 13, 1995, Mexico made two drawings of $250 million each under short-term swaps. Mexico repaid these drawings on March 14, 1995.

- A short-term swap of $1 billion was extended on February 2, 1995; Mexico renewed the swap for an additional 90-day period on May 3, 1995.

Outstanding loans, credits, and guarantees provided to Mexico by other U.S. agencies

- As of June 15, 1995, the Export-Import Bank of the United States recorded approximately $2.7 billion outstanding in total exposure (including loans, guarantees, insurance, rescheduled loans, and claims and recoveries) to the Government of Mexico and its parastatals.

- As of June 15, 1995, the Department of Agriculture, through its Commodity Credit Corporation, had just over $2.5 billion in guarantees and loans outstanding, including $2.4 billion in the form of contingent liabilities, and $118 million in rescheduled loans to the Government of Mexico.

- As of June 15, 1995, the U.S. Agency for International Development had some $13.8 million in loans outstanding to the Government of Mexico.

VII. Conduct of Monetary Policy

Mexico has made progress in reinforcing the independence of the Bank of Mexico, strengthening the peso, and conducting strict monetary policy

The Bank of Mexico is legally independent. Mexico's constitution provides that the Bank, "shall be autonomous in the exercise of its function and administration," and that "[i]ts primary objective shall be to ensure the stability of the purchasing power of the national currency."

As an independent central bank, the Bank of Mexico has clearly stated its monetary policy goals and has enacted a series of policy and institutional changes designed to achieve them. Since the beginning of 1995, the Bank of Mexico has conducted a monetary policy designed to: (1) stabilize the value of the peso; (2) halt capital outflows and eventually restore inflows; and (3) reduce inflation, eventually to single digit rates.

The path has not been easy, but Mexico has made substantial progress in execution of this strategy. Monetary policy has been tight, and, in combination with other Mexican economic policy measures and the external support package, has strengthened and stabilized the peso, caused a sharp decline in inflation, and helped produce an accumulation of reserves.

The growth of net domestic credit has been strictly limited. The Bank of Mexico announced a limit of net domestic credit growth (defined as the monetary base less international reserves) of NP 10 billion for the entire year. In fact, net domestic credit has *fallen* by NP 42 billion since the beginning of the year.

- While many factors influence net domestic credit, it is important to emphasize that peso credit to financial intermediaries (including lending to commercial banks, development banks, and FOBAPROA) has been flat.

- Thus, despite inflation of 29% in the first five months of the year, total peso credit to financial intermediaries fell slightly over the same period, for a real decline of 22%.

- The contraction of real credit has combined with high interest rates, the fall in output, and pre-existing structural weaknesses to place great strains on the banking system. Even so, the above data show that, to date, measures taken to extend credit to the banking system, including banks that have been intervened by the regulatory authorities, have not caused an increase in total credit to the banking system.

- The Bank of Mexico has made plain that it will continue to ensure that any measures taken to address banking problems do not weaken its monetary policy.

Partly as a result of this tight credit policy, the money supply has been strictly controlled.

- The money supply (monetary base) fell by 17% between December 31, 1994 and June 16, 1995. The real money supply fell by 34% between December 31, 1994 and May 31, 1995. While part of this decline is due to seasonal factors, the real money supply at the end of May was 23 percent lower than at the end of May 1994.

Interest rates have been allowed to increase as high as necessary to complement tight control over credit and the money supply.

- During early March, when confidence was at a low point, inflation expectations were high, and capital outflow was strong, interest rates on government securities were allowed to increase as high as 82% (on an annual basis).

- As confidence has begun to return, inflation has subsided, nominal interest rates have declined and the rate in recent auctions of government securities has fallen to below 50 percent. Real rates (the nominal interest rates adjusted for the rate of inflation) have remained high or even increased. The real interest rate in May (defined as the yield on one-month government securities after adjusting for actual inflation in May) was 20% at an annual rate.

Institutional reforms will help ensure the independence and efficiency of monetary policy

The Bank of Mexico has made a number of institutional changes to enhance its independence, to improve its control over monetary policy, and to strengthen its monetary policy stance.

- It has instituted zero monthly average reserve requirements on commercial banks. Through this mechanism, the Bank of Mexico can tighten monetary conditions immediately as necessary. This mechanism induces market-determined interest rate hikes, rather than requiring the Bank of Mexico to force up interest rates directly, as before.

- The Bank of Mexico is keeping the growth of the money supply at rates consistent with its annual inflation target of 42%. If demand for bills and coins (the monetary base) grows faster, the Bank contracts liquidity rather than passively satisfying the extra demand.

- The procedure by which the Bank of Mexico intervenes in the money market to control the money supply has been made more market-oriented. Previously, the Bank announced a rate prior to each auction. Now, the interest rate is freely determined in the secondary market.

- The payments system has been reformed to increase the efficiency of monetary policy and lessen the risks that the Bank of Mexico has to bear in its role as overseer of interbank payments mechanism.

- Perhaps most important, the Bank of Mexico has increased the amount and frequency of information it releases to the market. For example, the Bank releases its balance sheet weekly. This includes information on the stock of international reserves, the money supply, and credit to financial intermediaries. Each day the Bank releases the monetary base as well as its planned operations to change the monetary base for that day.

VIII. Reserve Position

Monetary policy has been only one component of the stabilization program that was designed to restore confidence. But in combination with a tight fiscal policy, structural reforms, and the international assistance package, tight monetary policy has contributed to a partial reversal of capital outflows and a buildup of international reserves. Reserves have risen $4.2 billion over the year, to $10.3 billion on June 16, including international assistance and notwithstanding heavy amortizations of foreign debt during this period.

TABLE 2: Mexico's International Reserves ($US billions)

01/94	02/94	03/94	04/94	05/94	06/94	07/94	08/94	09/94
26.8	29.6	26.1	17.9	17.7	16.7	17.0	17.3	16.6
10/94	11/94	12/94	01/95	02/95	03/95	04/95	05/95	06/95
18.0	13.1	6.1	3.5	9.0	6.9	8.7	10.4	10.3

Tab: Outstanding loans, credits, and guarantees provided to Mexico by other U.S. agencies.

Attached are (1) Exim-Bank's Country Exposure Summary and (2) U.S. AID's loan balances with the Government of Mexico.

- As of June 15, 1995, the Export-Import Bank of the United States recorded approximately $2.7 billion outstanding in total exposure (including loans, guarantees, insurance, rescheduled loans, and claims and recoveries) to the Government of Mexico and its parastatals.

- As of June 15, 1995, the Department of Agriculture, through its Commodity Credit Corporation, had just over $2.5 billion in guarantees and loans outstanding, including $2.4 billion in the form of contingent liabilities, and $118 million in rescheduled loans to the Government of Mexico.

- As of June 15, 1995, the U.S. Agency for International Development had some $13.8 million in loans outstanding to the Government of Mexico.

Country Exposure Summary

MEXICO (547)

Current As Of: 06/02/95
Printed On: 06/07/95 3:24p

	Total Amount	PUBLIC Sovereign(1) Amount	PUBLIC Non-Sovereign Amount	PRIVATE Fin Institution Amount	PRIVATE Non-Financial(2) Institution Amount
Actual Exposure					
Loans and Guarantees					
Operative Final Commitments	$3,151,987,478	$1,567,162,161	$88,658,846	$728,019,797	$768,146,674
Cancelled Operative Final Commitments W/Balance	$628,681,904	$38,395	$29,503,550	$448,009,676	$151,130,283
Total Loans and Guarantees	$3,780,669,382	$1,567,200,556	$118,162,396	$1,176,029,473	$919,276,957
Insurance					
Lease Policy	$4,525,873	$0	$0	$0	$4,525,873
Singlebuyer MT Policy	$722,940,140	$0	$0	$0	$722,940,140
Singlebuyer ST Policy	$86,878,525	$0	$0	$0	$86,878,525
Singlebuyer STMT Policy	$1,438,000,197	$0	$0	$0	$1,438,000,197
Multibuyer Policy	$81,850,787	$0	$0	$0	$81,850,787
Total Insurance	$2,334,195,522	$0	$0	$0	$2,334,195,522
Claims & Recoveries					
Total Claims & Recoveries	$94,979,658	$27,479,128	$809,908	$0	$66,690,622
Rescheduled Loans					
Total Rescheduled Loans	$613,206,557	$613,206,557	$0	$0	$0
Total Actual Exposure	$6,823,049,116	$2,207,886,241	$118,970,300	$1,176,029,473	$3,320,163,101

IAE501R, IAE501Q, IUL500P - IAE501Q2
tblRptDefinition - IAE501Q3, IAE501Q4
IAE501Q5, IAE501P, IAE500S

(1) Includes Political only.
(2) Private Non-Financial includes transactions without identified Risk.

Risk: S = Public-Sovereign
P = Political Only
N = Public-Non-Sovereign
F = Private-Financial Institution
R = Private-Non-Financial

Country Exposure Summary

MEXICO (547)

Current As Of: 06/02/95
Printed On: 06/07/95 3:25p

	Total Amount	PUBLIC Sovereign(1) Amount	PUBLIC Non-Sovereign Amount	PRIVATE Fin Institution Amount	PRIVATE Non-Financial(2) Institution Amount
Potential Exposure					
Loans and Guarantees					
Authorized (Not Operative) Final Commitments	$218,011,884	$15,655,022	$30,419,375	$77,950,483	$93,986,604
Authorized (Pre-Subsidy) Final Commitments	$51,124,366	$0	$0	$21,492,983	$29,631,383
Pending Final Commitments	$622,088,490	$91,244,913	$80,244,564	$15,893,043	$434,705,970
Outstanding Preliminary Commitments	$0	$0	$0	$0	$0
Outstanding Letters of Interest	$516,410,123	$98,759,260	$0	$331,228,703	$86,422,160
Pending Preliminary Commitments	$0	$0	$0	$0	$0
Pending Letters of Interest	$30,692,310	$30,692,310	$0	$0	$0
Total Loans and Guarantees	$1,438,326,873	$236,351,505	$110,663,939	$446,565,212	$644,746,317
Insurance					
Lease Policy	$0	$0	$0	$0	$0
Singlebuyer MT Policy	$231,066,000	$0	$0	$0	$231,066,000
Singlebuyer ST Policy	$118,510,641	$0	$0	$0	$118,510,541
Singlebuyer STMT Policy	$186,000,000	$0	$0	$0	$185,000,000
Multibuyer Aggregated Credit Limits	$91,088,000	$0	$0	$0	$91,088,000
Multibuyer Consignment Limit	$6,200,000	$0	$0	$0	$6,200,000
Total Insurance	$631,863,641	$0	$0	$0	$631,863,641

IAE501R, IAE501Q, IUL500P – IAE501Q2
tblRptDefinition - IAE501Q3, IAE501Q4
IAE501Q5, IAE501P, IAE500S

(1) Includes Political only.
(2) Private Non-Financial includes transactions without Modified Risk.

Risk: S = Public-Sovereign
P = Political Only
N = Public-Non-Sovereign
F = Private-Financial Institution
R = Private-Non-Financial

Exim-Latin Amer

Country Exposure Summary

MEXICO (547)

Current As Of: 06/02/95
Printed On: 06/07/95 3:25p

		PUBLIC		PRIVATE	
	Total Amount	Sovereign(1) Amount	Non-Sovereign Amount	Fin Institution Amount	Non-Financial(2) Institution Amount
Total Potential Exposure	$2,070,180,816	$236,361,806	$110,663,930	$446,686,212	$1,276,699,868
Total Exposure	$8,893,228,828	$2,444,237,748	$229,634,239	$1,622,594,685	$4,596,762,959

IAE501R, IAE501Q, IUL500P - IAE501Q2
tblRptDefinition - IAE501Q3, IAE501Q4
IAE501Q5, IAE501P, IAE500S

(1) Includes Political only.
(2) Private Non-Financial includes transactions without identified Risk.

Risk: S = Public-Sovereign
P = Political Only
N = Public-Non-Sovereign
F = Private-Financial Institution
R = Private-Non Financial

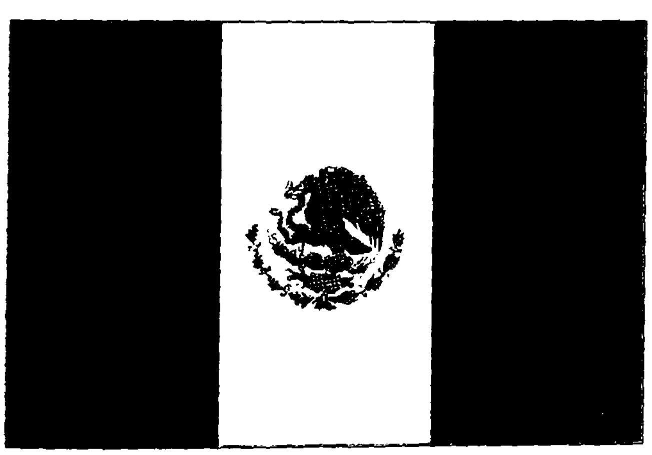
LOANS WITH THE GOVERNMENT OF MEXICO

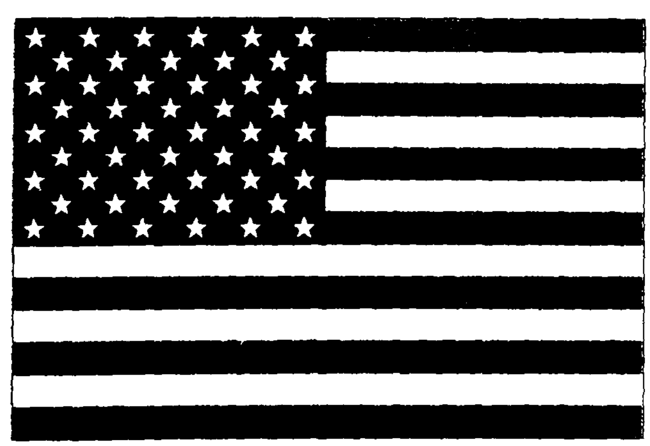
BALANCES AS OF MARCH 31, 1995: OF APRIL 30, 1995 OF MAY 31, 1995:

LOAN NO.	AMOUNT	AMOUNT	AMOUNT	DIFFERENCE
523-L-020	5,573,770.50	5,573,770.50	5,573,770.50	0.00
523-L-025R	860,928.05	860,928.05	860,928.05	0.00
523-L-026R	2,331,209.40	2,331,209.40	2,331,209.40	0.00
523-L-027R	2,821,124.38	2,821,124.38	2,821,124.38	0.00
523-L-028R	2,228,446.13	2,228,446.13	2,228,446.13	0.00
TOTAL	13,815,478.46	13,815,478.46	13,815,478.46	0.00

Monthly Report by the Secretary of the Treasury

Pursuant to the
Mexican Debt Disclosure Act of 1995





May 31, 1995

Table of Contents

Appendix

I. Overview

On January 31, 1995, after consulting with both congressional leadership and the Federal Reserve Board, President Clinton announced that the United States would provide an emergency support package to Mexico through the Exchange Stabilization Fund (ESF).

This decision was made to prevent the liquidity crisis facing Mexico from escalating into a prolonged and severe economic downturn, which would put at risk important U.S. interests -- some 700,000 export-related jobs and a secure U.S.-Mexico border -- and jeopardize the position of other emerging markets.

At the President's instructions, the Secretary of the Treasury entered into four agreements with Mexican authorities on February 21, 1995 ("the Agreements"), which provide for up to $20 billion conditioned on strict economic, financial, and reporting requirements. To date, the U.S. has disbursed $11 billion to Mexico, with a total of $10 billion outstanding under short-term and medium-term swap agreements.

Mexico is currently meeting its commitments under the Agreements. Mexico has undertaken broad-based reforms to set its economy back on course, including strict control over money and credit, reduced government spending, and reduction in its short-term, dollar-indexed debt. The economy's external position has improved substantially, due to strong export performance and restrained imports. Moreover, prospects for further privatization and private investment in Mexico's infrastructure have improved, as the Government of Mexico has advanced the necessary regulatory and legislative reforms. Although it is still too early to make definitive judgements, recent indicators suggest that financial markets are beginning to respond with more confidence in Mexico's economic outlook.

While these positive developments confirm that progress has been made, the corner has yet to be turned in some important respects. For example, the condition of Mexico's banking sector, weak going into the crisis, continues to deteriorate, as exhibited by the increasing proportion of overdue loans in the banking system. Moreover, unemployment continues to rise, while high inflation is eroding real incomes. Thus, significant challenges remain. We continue to work closely with the Mexican authorities to monitor Mexico's performance and compliance with U.S.-Mexico Framework Agreements.

U.S. and IMF financial support has allowed Mexico to cut drastically its short-term, dollar-indexed tesobonos to $11.5 billion, down from $29.2 billion at the beginning of this year. As a consequence, the risk of a sovereign default, with its devastating impact on the Mexican economy, seems to have abated in the eyes of financial market participants.

Mexico's obligations under the four agreements are backed by the full faith and credit of the Mexican Government, and the interest rates on swaps are sufficient to cover the risks that the United States is likely to bear. In the unlikely event that Mexico fails to meet its obligations, the U.S. Government has the right to set off Mexico's obligations against the proceeds from its crude oil, petrochemical and refined product exports, which flow through a special account at the Federal Reserve Bank of New York. The oil proceeds mechanism has been functioning

II. Current Condition of the Mexican Economy

Monetary and Fiscal Policy

The success of the Government of Mexico's economic adjustment program relies on its adherence to disciplined monetary and fiscal policies. The Bank of Mexico is holding to its commitment to maintain tight monetary policy, with the monetary base decreasing substantially by several measures.

- Between December 31, 1994 and May 9, 1995, the nominal monetary base dropped 16 percent, declining by nearly 32 percent in real terms through April 28.

- Some of this decline is seasonal but, comparing the year-over-year change to eliminate these effects, restraint on money growth is still evident.

- The nominal monetary base increased 13 percent between April 1994 and April 1995, a 17 percent real decline; this contrasts with a nominal increase of 21 percent between December 1993 and December 1994, a 13 percent real increase.

The Government of Mexico has adopted a number of measures to tighten fiscal policy. Budgetary results for the first quarter exceeded the government's targets and reflect an improvement in the fiscal position despite the weakening economy and a higher interest burden on the public sector debt.

- The primary balance (which excludes interest payments) carried a surplus of NP25.8 billion compared to NP11.4 billion in the same period a year ago. Despite substantially higher interest payments, the overall economic balance was also in surplus by NP9.0 billion, compared to NP4.3 billion in the same period last year.

- The government increased the VAT from 10 percent to 15 percent on April 1, boosted gasoline and diesel fuel prices 35 percent, and raised electricity rates 20 percent after March 9, 1995.

- In the first quarter, non-interest expenditures dropped 12.3 percent in real terms, while revenues increased 2.7 percent in real terms.

Economic Adjustment

Mexico faces a difficult year of adjustment, but the economy is already exhibiting signs that the program is working. The economy's external position has improved substantially, due to strong export performance and restrained imports.

- Mexico ran a trade surplus of $165 million in the first quarter of 1995, compared to a deficit of $4.3 billion during the same period a year ago. The $460 million trade surplus in March was Mexico's second consecutive monthly surplus.

- As a consequence of this year's sharp policy adjustments, Mexico's imports have declined. The rate of decline has tapered recently, however, with a year-over-year decline of 2 percent in March compared to 7 percent in February and increases of 12.2 percent in January and 18 percent in December.

- At the same time, Mexico's exports are growing strongly, increasing 32 percent in March from a year earlier, compared to year-over-year increases of 29 percent in February, 39.3 percent in January, and 13 percent in December.

Mexico's strong export performance allowed for first quarter declines in GDP and industrial production that were lower than expected.

- Real GDP fell 0.6 percent in the first quarter of 1995 compared to the same period a year ago. While this represents a sharp decline from a growth rate of 3.5 percent in 1994, this decline was more modest than officially projected, reflecting buoyant export performance partially offsetting weaker domestic demand.

- Still, GDP is expected to decline further this year, before economic growth resumes.

- Also due to this strong export growth, the decline in industrial production has been modest with a 1.1% decline in February from a year earlier compared to year-over-year increases of 3.8% in January and 0.1% in December.

The adjustment has triggered a decline in domestic demand and weakened labor markets.

- Retail sales dropped 20 percent on a year-over-year basis in March and 23 percent in February, following a decline of only 3 percent in January.

- The official unemployment rate, which covers only urban workers in the formal sector, rose to 5.7 percent in March compared to 3.2 percent at the end of 1994.

- Real wages in the manufacturing sector, among the strongest in the economy, declined in February by 0.2 percent from a year ago after increases near 5.5 percent in both January and December over a year earlier.

Inflation, which is expected to decline in coming months, has risen in the first four months of this year, as the lagged effect of the peso's devaluation, the increase in public sector prices, and the value added tax (VAT) take hold.

- The 8-percent increase in consumer prices in April was largely fueled by the 50-percent increase in the VAT on April 1; it was the largest monthly increase of the year.

- However, most analysts expect inflation to drop sharply in the next several months as the effects of the peso depreciation and the VAT increase work through the economy and market demand for goods, services and labor remains weak.

During late April, Mexico took several steps to meet its commitment to accelerate structural reforms.

- The Government of Mexico (GOM) submitted, and the Senate passed, a bill to open long- distance telecommunications services to private and foreign firms. To maximize competition and to improve Mexico's telecommunications infrastructure, the GOM decided not to charge private firms a fee to enter the market.

- The GOM also submitted a bill, which the Chamber of Deputies passed, to amend its Constitution to allow private companies to build and operate natural gas pipelines and distribution networks. This will help facilitate the privatization of electricity and petrochemical plants, which use natural gas.

- In addition, the Mexican Congress passed constitutional changes allowing private and foreign investment in railroads and satellite transmissions.

Financial Market Trends

Although it is still too early to make definitive judgements, recent indicators suggest that financial markets are responding with more confidence in the adjustment program and in Mexico's economic outlook.

- For example, the peso has stabilized, trading near NP6.0 per U.S. dollar in recent weeks, following a steady appreciation from its low of NP7.55 per U.S. dollar in March.

- As of May 22, Mexico's stock market was up 44.45 percent in peso terms, and 45 percent in dollar terms, since its low on February 27, 1995.

- Mexico's benchmark 28-day Treasury bill (cete) rate dipped from 82.65 percent at the end of March to 76.50 percent in the last weekly auction in April. It fell further to 48 percent at the end of May.

- Reduced fear of default on sovereign debt has been an important factor in this turnaround, as indicated by the decline in interest rates on dollar-linked tesobonos, which have dipped to about 13-14 percent from highs above 30 percent.

- In addition, as of May 22, the market price of Brady bonds, with the U.S. backing stripped out, has risen by roughly 62.48 percent since mid-March.

Banking Sector

The condition of Mexico's banking sector remains weak. As one indication, the percentage of overdue loans throughout the system increased from 7.4 percent in December, 1994, to 13.5 percent as of March 31, 1995.

The Mexican government has undertaken a number of initiatives to support the banking sector, including:

- Creating a program that allows banks to restructure approximately 25 percent of loans outstanding in the banking system through inflation-indexed instruments (UDIs), a measure that will ease liquidity pressures on banks' credit-worthy customers.

- Establishing the Temporary Capitalization Program (PROCAPTE), which enables banks to meet regulatory capital requirements through the issuance of convertible debentures to the deposit protection fund (FOBAPROA); and

- Working to secure World Bank and Inter-American Development Bank loans totalling $2.25 billion to help finance the restructuring of troubled banks and to strengthen bank supervision.

This month, however, banks have reduced their reliance on dollar liquidity loans from FOBAPROA and have reduced their outstanding balances by 30 percent since the first week of April.

III. Reserve Position of the Bank of Mexico

As of May 12, 1995, Mexico's international reserves totalled $8.3 billion, as defined in the Law of the Bank of Mexico. Reserves have risen $2.2 billion since the end of 1994.

IV. Disbursements and Outstanding Swaps and Guarantees and Compensation to the U.S. Treasury

As of May 23, 1995, $11 billion in U.S. funds have been disbursed to Mexico under the support program, of which a total of $10 billion remains outstanding under swaps. To date, the United States has not extended any guarantees to Mexico under this program.

Under the swap agreements, Mexico purchases dollars and credits a corresponding amount of pesos to the U.S. account at the Bank of Mexico. On the maturity date, Mexico repurchases the pesos and pays back the dollars. Both the short-term and medium-term swap facilities require Mexico to maintain the dollar value of peso credits to the United States, adjusting the amount of pesos on a quarterly basis, in accordance with changes in the dollar-peso exchange rate.

As provided for in the agreements, the Government of Mexico must pay the Treasury interest on the swap balances outstanding. The interest charges applied to short term swaps are designed to cover the cost of funds to the Treasury, and thus are set at the inception of each transaction at the current Treasury Bill rate.

The interest charges applied to the medium-term swaps are designed to cover the cost of funds to the Treasury plus a premium for the credit risk associated with the extension of such funds, as assessed at the time of each disbursement. Paragraph 6(d) of the Medium-Term Exchange Stabilization Agreement provides that interest rates on swaps with Mexico are "intended to be at least sufficient to cover the current U.S. Government credit risk cost for Mexico." For each disbursement, the premium is the greater of 1) a rate determined by the U.S. Government's inter-agency country risk assessment system (ICRAS) as adequate compensation for sovereign risk of countries such as Mexico, or 2) a rate based on the amount of U.S. funds outstanding to Mexico from short-term swaps, medium-term swaps, and loan guarantees at the time of disbursement.

Mexico has not missed an interest or repayment date under either the short-term or medium-term swaps. The schedule of swaps outstanding under both ESF and Federal Reserve swap lines is as follows:

As of May 23, 1995, $9.5 billion has been disbursed through the ESF, of which $9 billion remains outstanding.

Short-term swaps:

- On January 11 and January 13, 1995, Mexico made two drawings of $250 million each under short-term swaps through the ESF. Mexico repaid these drawings on March 14, 1995.

- On February 2, 1995, the U.S. disbursed $1 billion under a short-term swap through the ESF; Mexico renewed this swap for an additional 90-day period on May 3, 1995. The current interest rate is 5.75%

Medium-term swaps:

- Mexico drew $3 billion under a medium-term swap on March 14, 1995, $1 billion of which was used to pay back an existing short-term swap. The current interest rate is 8.1%. Repayment to be made in seven installments as follows: six equal installments of $375 million each, payable on June 30, 1998 and each successive calendar quarter date to and including September 30, 1999; and one installment of $750 million, payable on December 31, 1999.

- On April 19, 1995, Mexico made a second $3 billion drawing through a medium-term swap. The current interest rate is 10.34%. Repayment to be made in twelve installments as follows: eleven equal installments of $245 million each, payable on June 30, 1997 and each successive calendar quarter date to and including December 31, 1999; and one installment of $305 million, payable on March 31, 2000.

- Most recently, Mexico drew $2 billion under a medium-term swap on May 19, 1995. The current interest rate is 10.34%. Repayment to be made in twelve installments as follows: eleven equal installments of $170 million each, payable on June 30, 1997 and each successive calendar quarter date to and including December 31, 1999; and one installment of $130 million, payable on March 31, 2000.

Federal Reserve

Disbursements to Mexico through the Federal Reserve System total $1.5 billion as of May 23, 1995, with $1 billion outstanding. All Federal Reserve disbursements are in the form of short-term swaps.

Short-term swaps:

- On January 11 and January 13, 1995, Mexico made two short-term swap drawings of $250 million each through the Federal Reserve. Mexico repaid these drawings on March 14, 1995.

A short-term swap of $1 billion was extended on February 2, 1995; Mexico renewed the swap for an additional 90-day period on May 3, 1995.

V. Mexico's Financial Transactions

With U.S. and IMF financial support, Mexico has dramatically reduced the amount of outstanding tesobonos, or short-term, dollar-linked government debt, since the onset of its liquidity crisis in December. Since the beginning of the year, the amount of tesobonos outstanding in public hands has declined from $29.2 billion to $11.5 billion at the end of May, 1995.

Effective upon the signing of the agreements on February 21, 1995, prior to each disbursement, Mexico must provide Treasury with information on the intended use of U.S. funds, and Treasury must verify that such uses are consistent with Mexico's Financial Plan. To date, Mexico has requested and Treasury has authorized the use of funds to redeem tesobonos and other short-term debt. As of May 23, 1995, Mexico has used $6.3 billion in U.S. funds to redeem tesobonos and $3.7 billion to accumulate reserves for future redemptions of tesobonos and other short-term obligations.

VI. Status of the Oil Facility

Payments to the Federal Reserve Bank of New York

Since taking effect on March 8, the payment mechanism, established under the Oil Proceeds Facility Agreement, has been functioning smoothly. As of May 15, 1995, over $1.5 billion has flowed through Mexico's special funds account at the Federal Reserve Bank of New York. Approximately $25-30 million flows through the account each day. To date, there have been no set offs against the proceeds from Mexico's crude oil, petrochemical, and refined product exports.

Contents

Appendix

I. Summary

Mexico continues to meet its commitments under the financial agreements signed by U.S. and Mexican authorities on February 21, 1995. The Mexican Government has adopted a rigorous adjustment program to put its economy back on the path to sustained economic growth. There are already signs that the program is working.

Mexico's stabilization program includes strict control over money and credit, tightened fiscal policy, and the reconfiguration of its debt portfolio, to move from short-term to longer-term maturities. Moreover, the Mexican Government is moving forward with key regulatory and legislative reforms that will promote privatization of and foreign direct investment in Mexico's infrastructure.

The crisis that emerged at the end of 1994 meant that, even with the strong adjustment package and U.S. and IMF liquidity support to help manage the large amount of short-term debt coming due, Mexico was faced with a dramatic reduction in the supply of foreign capital. Inevitably, then, Mexico had to reduce its need for foreign capital inflows, as measured by the current account deficit, which shrank from $6.7 billion in the first quarter of 1994 to $1.2 billion in the first quarter of 1995. Both real depreciation of the peso and contraction of domestic demand were factors behind this adjustment.

Mexico's economic policy package was designed to allow this inevitably difficult adjustment to take place as efficiently as possible. Tight fiscal policy has reduced domestic demand. Mexico's budget surplus for the first quarter of 1995 was substantially higher than its first quarter 1994 level, and larger than the authorities had expected. The fiscal surplus also reduced the pressure that the restrictive monetary policy places on the private sector: by freeing up resources for private investment, it permits a more rapid increase in exports and a faster return to growth.

The Mexican Government's strict monetary policy has been designed to stabilize the peso and to contain inflation. Inflation seems to have moderated since April, and interest rates have declined, as investor fears about inflation have calmed. The peso has stabilized and appreciated in both real and nominal terms. Finally, privatization and structural reforms are designed to improve productivity and to attract foreign investment. This will speed Mexico's return to economic growth and elevate Mexico's sustainable path once growth has resumed.

Mexico has accumulated external reserves while amortizing or extending the maturity of substantial amounts of short-term foreign debt. U.S. and other international financial support has allowed Mexico to cut its stock of outstanding short-term, dollar-indexed debt (Tesobonos) by $19 billion since the beginning of 1995, reducing the amount of outstanding Tesobonos to roughly $10 billion from $29.2 billion. Importantly, net repayments by the banking system to the bank insurance fund, FOBAPROA, as well as reinvestment in Mexico by Tesobono holders have also contributed to this outcome.

Although it is too early to make definitive judgements, recent indicators suggest that financial markets are responding positively to Mexico's adjustment program, and that confidence in Mexico's economic outlook is returning. Activity in wider Latin American Brady bond markets suggests that fears of both Mexican sovereign default and the contagion effects on other developing economies have abated.

While these signs of stabilization give cause for cautious optimism, Mexico's economy remains severely strained. For example, Mexico's banking sector, weak going into the crisis, continues to be adversely affected by current economic conditions, as loan portfolios have worsened and dollar liquidity has been squeezed. Many Mexican banks' dollar liabilities are not being renewed, while their dollar borrowers are themselves hard-pressed to meet their loan obligations.

The Mexican authorities have responded with a number of initiatives to: (1) mitigate the immediate impact of the peso crisis on the banking system; (2) restructure the legal, regulatory and supervisory environment; and (3) encourage an inflow of new capital into the banking system, particularly from foreign investors.

Financial sector loans from the World Bank and the Inter-American Development Bank (IDB) will support the Mexican Government's efforts. Specifically, the loans will help: (i) restore solvency and soundness to Mexico's banking system; (ii) reform accounting standards and prudential regulations for the banks; (iii) improve the efficiency of the Bank of Mexico's operations; and (iv) reform development bank lending.

Mindful of the devastating impact that the recession will have on Mexico's poorest citizens, the Mexican Government has taken steps to secure a social safety net. One billion dollars in social sector loans from the World Bank and the IDB will complement financial assistance from the U.S. and the IMF and help protect essential social services from future budget cuts under Mexico's austerity program.

The Zedillo Administration has begun to focus attention on long-term strategies to ensure that Mexico can sustain a higher level of economic growth and that its workforce will be competitive in the twenty-first century. The Zedillo Administration's National Development Plan charts the course for both increased domestic savings and political reform in the long-run.

Mexico's obligations under the February 21 agreements are backed by the full faith and credit of the Mexican Government. Interest rates on currency swaps are sufficient to cover the risks that the United States is likely to bear. In the unlikely event that Mexico fails to meet its obligations, the U.S. Government has the right to set off Mexico's obligations against the proceeds from its crude oil, petrochemical and refined product exports, which flow through a special account at the Federal Reserve Bank of New York. The oil proceeds mechanism continues to function smoothly. As of June 23, 1995, approximately $2.5 billion has flowed through the special account since March 8, 1995.

II. Current Condition of the Mexican Economy
a. Fiscal Policy

Mexico's budget surplus is higher than last year, due to increased oil prices and spending cuts

The Mexican non-financial public sector budget, which the IMF and private sector analysts track, reflects three components: (1) the Federal Government, (2) state-owned enterprises controlled by the Federal Government, such as Petroleos Mexicanos (PEMEX) and Commisión Federál de Electricidad (CFE), and (3) state-owned enterprises under indirect control of the Federal Government, including Federal universities and hospitals. State and local government finances are not included. Total public sector revenues increased in real terms during the first quarter of 1995 compared to the first quarter of 1994, primarily because PEMEX revenues, and Federal taxes paid by PEMEX, increased significantly.

- While non-oil revenues declined by 8.5% in real terms during this period, PEMEX revenues and Federal taxes, which account for 34% of public sector revenues, increased by 35% in real terms (see Table 1).[1]

- This real increase in oil revenues can be attributed to the 42% increase in the dollar price of oil between the first quarters of 1994 and 1995, and the peso's depreciation from NP 3.16/USD to NP 5.97/USD over the same period, which further increased the peso price of oil.

Most other sources of revenue declined in real terms between 12% to 29% compared to the previous year due to the weak economy and the devaluation of the peso (see Table 2).

- For example, corporate taxes fell, as the higher peso cost of servicing dollar-denominated debt reduced corporate profits.

- VAT and tariff revenues also fell as both consumption and imports declined.

---

1 Unless noted, comparisons between Q1 1994 and Q1 1995 are deflated by the 15% increase in consumer prices.

TABLE 1: Public Sector Revenues

NP millions	Q1 1994	Q1 1995	Real Change[1]
PEMEX revenues & Federal taxes paid	19506	30227	34.7%
Non-petroleum revenues	55823	58759	-8.5%

(1) Deflated for the 15% increases in consumer prices between the first quarters of 1994 and 1995.

Real public sector spending, excluding interest payments, fell by 12% compared to the previous year. This expenditure reduction permitted total real public sector spending to decline by 5%, despite a 44% increase in real interest expenses. Owing to both the increase in interest rates and the depreciation of the peso, real interest payments by the Federal Government on external debt increased 78% compared to a year earlier (see Table 2). The Government of Mexico's primary strategy to limit spending has focused on two areas:

- *Limit salaries and benefits by imposing a hiring freeze and delaying wage increases*: Scheduled first quarter wage increases for public sector employees were postponed until April, but then were paid retroactively. As a result, public sector spending on salaries and benefits was 5% below 1994 levels in real terms. (Here, comparisons between 1994 and 1995 do not include spending by enterprises under indirect control, because the Mexico City budget was included in this category in 1994 but not in 1995.)

  The real public sector wage bill will likely drop further, as wage increases negotiated to date have been less than expected inflation. Most noteworthy is the agreement reached with teachers and other government employees in May to increase wages by 12% and benefits by 8%, effective in June. These terms will allow the Mexican Government to keep budgetary cost increases well below the projected 42% CPI hike between December 1994 and December 1995.

- *Cut investment spending by postponing new projects and slowing outlays for projects already underway:* While the Government of Mexico increased investment in those state enterprises that generate revenue and earn foreign exchange (for example, PEMEX), other public works projects have been slashed. Spending on investment funded by the Federal Government fell 72% from 1994 levels.

TABLE 2: Mexico's Federal Government Budget

Q1 (NP millions)	1994	1995	Real Change [1]
Revenues	52895	55714	-8.4%
Taxes			
Income tax	18251	18581	-11.5%
Value added tax	10055	9955	-13.9%
Excise taxes	6703	6208	-19.5%
Import duties	2819	2742	-15.4%
Other	2722	2999	-4.2%
Non-Tax Income			
Fees			
Oil	6513	10403	38.9%
Other	1449	1222	-26.7%
Other (e.g., privatization)	4383	3604	-28.5%
Expenditures	50794	52177	-10.7%
Discretionary	28522	27066	-17.5%
Operating Expenditures	8883	9041	-11.5%
Salaries	6508	6891	-7.9%
Other	2375	2150	-21.3%
Public Investment	2523	813	-72.0%
Transfers	17116	17212	-12.6%
Education	6742	7491	-3.4%
Other	10374	9721	-18.5%
Non-Discretionary	22272	25111	-2.0%
Outlays from past years' obligations	3963	2602	-42.9%
Revenue Sharing	9918	11137	-2.4%
Interest Payments	8391	11372	17.8%
Internal	4528	3448	-33.8%
External	3863	7924	78.4%
Errors and Omissions	3017	852	-75.4%

TABLE 3: State-Owned Enterprises

First Quarter (NP Millions)	1994	1995	Real Change (1)
Under Direct Control of the GOM, Balance	811	6195	
PEMEX, Balance	-285	2947	
Revenues	5857	12676	88.2%
Expenditures	6142	9729	37.7%
Interest	935	3599	234.7%
Non-interest	5207	6130	2.4%
CFE, Balance	-357	1271	
Revenues	4127	5862	23.5%
Expenditures	4484	4591	-11.0%
Interest	207	823	245.7%
Non-interest	4277	3768	-23.4%
Other Enterprises, Balance	-1975	-720	
Revenues	13440	15639	1.2%
Expenditures			
Interest	15	76	340.6%
Non-interest	15400	16283	-8.1%
Subsidies from the Federal Government	3428	2697	-31.6%
Under Indirect Control of GOM, Balance (2)	4450	109	

(1) Deflated for the 15% increases in consumer prices between the first quarters of 1994 and 1995.

(2) Mexico City budget included in 1994 but excluded in 1995.

As a result, Mexico's budget surplus increased compared to its 1994 level

Due to the boost from oil revenues and the cut in non-interest spending, the overall non-financial public sector surplus was NP 9.0 billion for the first quarter (roughly 2.7% of GDP) compared to last year's surplus of NP 4.3 billion (1.5% of GDP).

- In the first quarter of 1995, Mexico ran a primary surplus (the surplus net of interest payments) of NP 25.7 billion or roughly 7.6% of GDP, significantly larger than last year's surplus of NP 11.4 billion or 3.8% of GDP (see Table 4).

TABLE 4: Public Sector Balances

NP millions	Q1 1994	Q1 1995
Federal Budget Balance	-916	2685
% of GDP (1)	-0.3%	0.8%
Primary Balance	7475	14057
% of GDP	2.5%	4.2%
Public Sector Non-financial Balance	4345	8989
% of GDP	1.5%	2.7%
Public Sector Primary Balance	11371	25692
% of GDP	3.8%	7.6%

(1) 1995 nominal GDP was estimated by adjusting the reported 0.6% decline in real GDP between the first quarters of 1994 and 1995 by the 15% increase in consumer prices during this period. This is likely to differ from estimates of nominal GDP using the GDP deflator, which has not yet been reported.

However, surpluses may fall in the remaining quarters of 1995

Mexico's budget surplus may fall in future quarters compared to the first quarter of 1995, and the increase in the surplus compared to last year may be less dramatic, for several reasons:

- The recession is likely to worsen after the first quarter. This will tend to decrease revenues and may cause increases in some social expenditures.

- As noted, the public sector wage bill was held down because the scheduled pay increase for public sector employees was postponed until April and then paid retroactively. This will boost second quarter spending. Moreover, public sector employees receive large Christmas bonuses.

- The fiscal boost from higher peso oil revenues is likely to decline in subsequent quarters. World oil prices increased during much of 1994 and the first half of 1995. Most analysts expect, however, that they will remain steady during the rest of this year. Thus, while the increase in oil prices between the first quarters of 1994 and 1995 was 42%, the increase between the second quarters of 1994 and 1995 is likely to be only 20 to 25%.

- Similarly, while the peso weakened against the dollar by 47% (from NP 3.16/USD to NP 5.97/USD) between the first quarters of 1994 and 1995, the decline is likely to be closer to 45% for the second quarters, based on average depreciation in April-May and early June, 1995 (from NP 3.3/USD to about NP 6.0/USD), compared to the same period in 1994. Thus, on a year-over-year basis, PEMEX revenues are likely to yield less of a fiscal impact after the first quarter.

Mexico took measures in March and April to strengthen its fiscal position

As it became clear in March that the economic forecast for 1995 on which the budget had been based was too optimistic, the Mexican Government took decisive measures to strengthen Mexico's fiscal position.

- The government increased the VAT rate from 10% to 15%, effective April 1.

- Planned 10% annual increases in public sector prices of oil and electricity were revised upward to 49% and 32%, respectively.

- Real discretionary public sector spending already budgeted to fall by 4% was cut by an additional 2%.

If necessary, Mexico can tighten fiscal policy further

The Mexican Government has several tools at its disposal to further tighten fiscal policy, if necessary.

- The Mexican Government believes that, if necessary, it could quickly raise revenues by increasing the price of publicly provided goods and services, particularly gasoline and electricity. As noted above, PEMEX revenues and tax payments account for 34%, and CFE revenues represent 7%, of total public sector revenues.

- Mexican budget officials have considerable authority to reduce spending. While the budget law passed by the Mexican Congress sets annual ceilings for budget authority, Finance Ministry officials may require that agencies spend less than their annual authorized level.

- However, the Mexican Government's power to rescind capital expenditures is constrained as the year progresses by the cost of cancelling contracts that have been signed. Ministries can, nonetheless, *delay* investment spending even after it is contracted, since outlays for obligations made in one year may occur as late as six months into the next.

- Similarly, because the Mexican Government is required to make severance payments, laying-off public sector employees offers little room to reduce expenditures in the short term.

Prospects for attaining annual fiscal surplus targets are favorable

In March, Mexico established targets of an overall annual budget surplus of 0.5% of GDP and a primary surplus of 4.4% of GDP. Uncertainties remain regarding the state of fiscal policy. The depth of the recession, and hence future revenues, are difficult to predict. The economic downturn will test the ability of the Mexican Government to continue with severe compression of expenditures. Nonetheless, given continued strong policy performance, Mexico is on track to attain its fiscal goals for the year.

- Mexican authorities anticipate that the measures taken in March to increase revenues and further decrease expenditures, combined with the favorable public sector wage settlements obtained in April, will counteract the effect of the steeper-than-expected recession and allow attainment of the target for the primary surplus. Most of the above-mentioned factors that will tend to reduce the annual fiscal surplus compared to the first quarter were taken into account in the formulation of the budget plan. Finally, officials stand ready to implement new fiscal measures as necessary to attain the planned surplus.

II. b. Monetary Policy

Mexico has made substantial progress in solidifying the independence of the Bank of Mexico, strengthening the peso, and conducting a tight monetary policy. Since the beginning of 1995, the Bank of Mexico has conducted a monetary policy designed to: (1) stabilize the value of the peso; (2) halt capital outflows and eventually restore inflows; and (3) reduce inflation, eventually to single digit rates.

The path has not been easy, but Mexico has made substantial progress in its execution of this strategy. Monetary policy has been tight, and, in combination with other Mexican economic policy measures and the external support package, this has resulted in a strengthened and stabilized peso, a sharp decline in inflation, and an accumulation of reserves.

The growth of net domestic credit has been strictly limited. The Bank of Mexico announced a limit of net domestic credit growth (defined as the money base less international reserves) of NP 10 billion for the entire year. In fact, net domestic credit has fallen by NP 42 billion since the beginning of the year.

- While many factors influence net domestic credit, it is important to emphasize that there has been no increase in peso credit to financial intermediaries, including lending to commercial banks, development banks, and the trust fund (FOBAPROA) charged with insuring banking system liabilities.

- Thus, despite inflation of 29% in the first five months of the year, total peso credit to financial intermediaries fell slightly over the same period, for a real decline of 22%.

- The contraction of real credit has combined with high interest rates, the fall in output, and pre-existing structural weaknesses to place great strains on the banking system. Still, the above data show that measures taken to date to extend credit to the banking system, including banks that have been intervened by the regulatory authorities, have not caused an increase in total credit to the banking system.

- The Bank of Mexico has made plain that it will continue to ensure that any measures taken to address banking problems do not weaken its monetary policy stance.

Partly as a result of this tight credit policy, the money supply has been strictly controlled.

- The money supply (monetary base) fell by 17% between December 31, 1994 and June 16, 1995. The real money supply fell by 34% between December 31, 1994 and May 31, 1995. While part of this decline is due to seasonal factors, the real money supply at the end of May was 23% lower than at the end of May 1994.

Interest rates have been allowed to increase as high as necessary to complement this tight control over credit and the money supply.

- During early March, when confidence was at a low point, inflation expectations were high and capital outflow was strong. Effective annual interest rates on government securities were allowed to increase as high as 82%.

- With some return of confidence, inflation has subsided and nominal interest rates have declined, with the rate in recent auctions of government securities down to below 50%. Real rates (nominal interest rates adjusted for the rate of inflation) have remained high or even increased. The real interest rate in May, defined as the yield on one-month government securities after adjusting for actual inflation in May, was 20% on an annualized basis.

Institutional reforms will help ensure the independence and efficiency of monetary policy

The Bank of Mexico has made a number of institutional changes to enhance its independence, improve its control over monetary policy, and strengthen its monetary policy stance.

- It has established zero monthly average reserve requirements on commercial banks. Through this mechanism, the Bank of Mexico can immediately tighten monetary conditions, as necessary. This mechanism induces market-determined interest rate hikes, rather than requiring the Bank of Mexico to force up interest rates directly, as before.

- The Bank of Mexico is limiting the growth of the money supply to rates consistent with its annual inflation target of 42%. If demand for bills and coins (the monetary base) grows faster, the Bank contracts liquidity rather than satisfying extra demand.

- The procedure by which the Bank of Mexico intervenes in the money market to control the money supply has been made more market-oriented. Previously, the Bank announced a rate prior to each auction. Now, the interest rate is freely determined in the secondary market.

- The payments system has been reformed to increase the efficiency of monetary policy and lessen the risks that the Bank of Mexico has to bear in its role of overseeing the interbank payments mechanism.

- Perhaps most important, the Bank of Mexico has increased the amount and frequency of information it releases to the market. For example, it releases its balance sheet weekly. This includes information on the stock of international reserves, the money supply, and credit to financial intermediaries. Each day it releases information about the monetary base as well as its planned operations for that day to change the monetary base.

II. c. Reserve Position

Of course, monetary policy has been only one component of the stabilization program that was designed to restore confidence. But in combination with a tight fiscal policy, structural reforms, and the international assistance package, the tight monetary policy has contributed to a partial reversal of capital outflows and a buildup of international reserves. Reserves have risen $4.2 billion this year, to $10.3 billion on June 16, including international assistance and notwithstanding heavy amortizations of foreign debt during this period.

TABLE 5: Mexico's International Reserves ($US billions)[1]

01/94	02/94	03/94	04/94	05/94	06/94	07/94	08/94	09/94
26.8	29.6	26.1	17.9	17.7	16.7	17.0	17.3	16.6
10/94	11/94	12/94	01/95	02/95	03/95	04/95	05/95	06/95
18.0	13.1	6.1	3.5	9.0	6.9	8.7	10.4	10.3

[1] All data are as of the last day of the month, except for 6/95, which refers to June 16.

II. d. Economic Adjustment

Mexico is enduring a year of difficult economic adjustment. Nonetheless, the economy is already exhibiting signs that the program is working. The crisis that emerged at the end of 1994 meant that, even with the strong adjustment package and U.S. and IMF liquidity support to help manage the large amount of short-term debt coming due, Mexico was faced with a dramatic reduction in the supply of foreign capital. Inevitably, then, Mexico had to reduce its need for foreign capital inflows, as measured by the current account deficit, which shrank from $6.7 billion in the first quarter of 1994 to $1.2 billion in the first quarter of 1995. This was a sharp improvement from late 1994. Both the real depreciation of the peso and the contraction of domestic demand were factors behind this adjustment.

The near elimination of the current account deficit has been largely due to a strong reversal in the trade balance from deficit to surplus. Thus, while the overall economy is in sharp recession, the traded goods sectors, primarily manufacturing, have performed relatively well. Sectors that depend on domestic demand alone, such as construction, have fared much more poorly. With the successful implementation of strict financial policies, there are indications that inflation is receding.

Q1 1995 results confirm Mexico's progress on the current account balance

The economy's external position has improved substantially, due to strong export performance and restrained imports.

- Mexico achieved a trade surplus of $1.9 billion in the first five months of 1995 (based on preliminary figures for May) compared to a deficit of $7.2 billion during the same period in 1994. Mexico ran a $588 million trade surplus in May, its fourth consecutive monthly surplus of the year.

- As a consequence of the recession and the sharp drop in the value of the peso from last year's levels, Mexico's imports have declined in 1995. Imports fell 18% in April and 8% in May compared to the same period of the previous year.

- Most dramatically, the fall in consumption in Mexico and the increase in the peso cost of imports have led to a 33% fall in imports of consumer and capital goods in the first four months of the year compared to the same period in 1994. By contrast, imports of intermediate goods have increased by 7% because of strong demand by the booming export sector.

- At the same time, Mexico's export growth has been remarkably strong. Exports in the first quarter were 26% above their levels in the same period of the previous year, while in May they were 30% higher. Exports rose 13% in May compared to April but have been relatively steady on a seasonally adjusted basis.

- Export growth has been driven by extraction industries (including oil) and by manufacturing (including the *maquiladora* sector, which imports components and assembles products for export). Producers have in many cases quickly shifted production to export markets in the face of attractive peso prices and weak domestic demand.

- Mexico ran a current account deficit of $1.2 billion during the first quarter, compared to deficits of $6.7 billion and $7.3 billion for the first and fourth quarters of 1994 (see Table 6). A large turnaround in merchandise trade and a more modest reversal in non-factor services trade more than offset a larger deficit in factor payments, due to higher interest payments.

TABLE 6: Mexico's Current Account

($ Millions)	Q1 1994	Q4 1994	Q1 1995
Merchandise Trade			
Exports	13776	16974	18731
Imports	18073	21796	18191
Balance	-4297	-4822	540
Factor Services, Balance	-3018	-2737	-3052
Non-Factor Services, Balance	-246	-660	421
Transfers, Balance	866	902	882
Current Account Balance	-6695	-7317	-1209
Current Account Balance, as %GDP	-7.3%	-7.7%	-2.1%

Mexico's economy is in recession as the adjustment takes hold

The rapid response of the tradeable goods sector allowed for first quarter declines in GDP and industrial production that were lower than expected, given the need to turn around the trade balance.

- Real GDP fell 0.6% in the first quarter of 1995 compared to the same period in 1994. While this represents a sharp decline from a growth rate of 3.5% in 1994, this drop was more modest than the government projected, reflecting buoyant export performance partially offsetting weaker domestic demand. However, economic activity is clearly down. First quarter GDP growth in 1995 probably understates the trend because GDP growth during the first quarter of 1994 was also weak.

- Industrial production, which includes manufacturing and construction, fell by 0.7% in the first quarter of 1995 compared to the same period in 1994. After adjustment for seasonal factors, month-over-month industrial activity fell markedly in February and March, resulting in a 3.1% decline for the quarter as a whole compared to the fourth quarter of 1994.

- The pattern of the economy's reaction reflects the rapid external adjustment that has taken place. The strong export response corresponds to a shift in resources from the non-tradeable goods sector. Thus, it is not surprising that areas sensitive to export demand performed relatively well. Agriculture and manufacturing, for example, actually grew respectively in the first quarter by 2% and 4% compared to the Q1 1994. Output rose in utilities, paper products, chemical, oil, and basic metals on strong export demand.

- In contrast, sectors particularly sensitive to domestic demand, such as retailing and construction, have contracted. Construction activity fell by 7.3% in the Q1 from the previous year. Domestic sales of automobiles plunged 68% in the first five months of 1995 compared to same period in the previous year. Overall retail sales dropped 20% on a year-over-year basis in March and 23% in February, following a decline of only 3% in January.

- GDP is likely to fall further this year, before economic growth resumes. Analysts estimate GDPcould decline by between 1.5% and 4.8% in 1995 (with the private sector consensus being around 3.3%), before economic growth resumes late in 1995 or early in 1996.

The process of economic adjustment has weakened labor markets.

- The official unemployment rate, which only covers urban workers in the formal sector, rose to 6.3% in April compared to 3.2% at the end of 1994. Although this rate understates unemployment compared to U.S. measurement, it closely tracks economic activity. The rapid rise of unemployment indicates the slowing of the economy. Employment in the manufacturing sector was also much lower than in the same period of the previous year, falling by 6.1% from March 1994 to March 1995 after declining by 4.7% and 3.2% during the 12-month periods ending in January and February 1995.

- Real wages in the manufacturing sector, among the strongest in the economy, were lower than they had been a year earlier, registering a sharp decline of 7.7% in March after edging up 0.2% on a year-over-year basis in February.

- Following a burst in the first four months of the year, inflation seems to be moderating. The peso's depreciation in December and the first three months of the year suddenly raised the price of imported goods. Increases in public sector prices and the value-added tax rate in March and April further boosted inflation.

- Inflationary pressure appears to be moderating as consumer prices in May rose only about half of the 8% rate reported in April, and by 1.65% for the first two weeks of June. It appears to be heading down toward about a 2% average monthly rate for the rest of the year.

- The effects of the devaluation and public price and tax increases seem to have largely passed through the economy, while tight monetary policy and the fiscal surplus are limiting domestic demand and thus pressure on non-tradeable goods prices. There appears to be little prospect of wage-led inflation, as wage behavior has so far remained remarkably restrained, with recent wage settlements entailing increases far below inflation.

II. e. Financial Market Trends

Although it is still too early to make definitive judgments, recent indicators suggest that financial markets are responding positively to the adjustment program and that confidence in Mexico's outlook is returning.

- For example, as of June 22, the peso has appreciated more than 21% since its low on March 9, 1995, and has traded within a range of NP 6.0 to 6.3 over the past few weeks. In addition, the volatility of the peso has decreased dramatically, indicating less uncertainty in the market.

- As of June 22, Mexico's stock market had risen 41% in peso terms, and 36% in dollar terms, since its low on February 27, 1995.

Interest rates have steadily declined in recent weeks as investor expectations about inflation and the risk of government default have eased.

- Mexico's benchmark 28-day Treasury bill (CETES) rate has decreased from a high of 83% in late March to 44.25% in the June 20 auction.

- Improvements in the assessment of Mexican risk are also evident in the market for Mexico's dollar-indexed Treasury bills (Tesobonos). Tesobono yields have dipped to 11% after reaching highs above 30%. Moreover, many investors are redeeming their Tesobonos for pesos rather than dollars, suggesting that they feel more confident holding peso-denominated assets.

The market for U.S.-backed Brady bonds also reflects a return of confidence in Mexico, as well as other emerging markets.

- The price of the benchmark Mexican Par Brady bond has staged a sustained recovery, rebounding to within 8% of its pre-devaluation level as of June 22. With the U.S. backing stripped out to better gauge Mexican sovereign risk, the Par has rallied nearly 60% since its low on March 16, 1995.

- The wider Latin American Brady bond market has reacted favorably to developments in Mexico. The spreads over U.S. Treasuries on the stripped portion of Brady bonds in Argentina and Brazil fell along with that of the Mexican Par, suggesting that the crisis of confidence which Mexico's situation created in other emerging markets has subsided.

II. f. Developments in the Banking Sector

Mexico's banking system remains severely strained

The financial condition of the Mexican banking system has deteriorated significantly, as many borrowers are unable to repay their loans due to current economic conditions and high interest rates.

- Non-performing loans increased from 7.4% of total loans at the end of December 1994, to 9.6% on March 31, 1995, and 10.1% on May 31.

- The capital-asset ratio also continued to decline, to 5.1% on March 31, 1995, compared to 5.3% as of year-end 1994, though the March level improved to 5.8% if subordinated debt issued as part of the government's temporary capitalization program (PROCAPTE) is included.

National Banking and Securities Commission has improved banking supervision

The National Banking and Securities Commission (NBSC), the banking system's supervisory body, has taken a number of significant steps to improve its supervisory capabilities.

- In April, 1994, the NBSC underwent reorganization and initiated an institutional development plan. In addition, the hiring focus for supervisory staff shifted from accountants to a diversified base of college graduates.

- The focus of its approach has changed to emphasize risk management, internal controls, disclosure and consolidated supervision. Also, with World Bank assistance, the NBSC is upgrading its capabilities in licensing, regulatory and supervisory policy development, on-site supervision, off-site analysis, regulatory reporting and accounting principles, and internal budgeting and information systems.

- Mexico's current crisis has stretched the NBSC's capacity. The World Bank and numerous private sources, including U.S. commercial banks, have provided the NBSC with foreign technical assistance in the area of on-site examinations to evaluate the quality of the banks' loan portfolios and to determine adequate reserve levels. Bank examiners from the FDIC, the Office of the Comptroller of the Currency, and the U.S. Federal Reserve are also providing training to Mexican bank examiners.

The Mexican Government has responded with important initiatives

The primary effects of the crisis on the banking system have been a deteriorating loan portfolio and a dollar liquidity squeeze, because many of the banks' dollar liabilities are not being renewed. The Mexican authorities have responded with a number of initiatives to (1) mitigate the impact of the peso crisis on the banking system (FOBAPROA lending, PROCAPTE, UDI program); (2) restructure the legal, regulatory and supervisory environment to lead the system toward health over the medium term; and (3) encourage an inflow of new capital into the banking system, particularly from foreign investors.

- FOBAPROA, the bank guarantee fund, has been providing dollar liquidity to the system, though banks have significantly reduced their FOBAPROA borrowing since April. FOBAPROA has also assumed management responsibility for three banks, Banco Union, Banca Cremi and Banpais, which were intervened because of poor management practices and misleading reporting to the NBSC.

- PROCAPTE is a temporary capital assistance program (administered by FOBAPROA) to provide relief to banks unable to meet the minimum regulatory standards. Banks in the program must meet a 9% minimum capital standard and sell mandatory convertible subordinated debt to FOBAPROA, with a five-year maturity. At maturity, if the bank has been unable to restore its capital base, the debt will automatically convert to equity, thus diluting or eliminating the current shareholders' ownership. The debt can also be converted at any time during the five years if the bank's capital falls below 2%. The funds received from the sale of the subordinated debt must be deposited at the Bank of Mexico. Currently six banks have joined PROCAPTE and have issued approximately $1 billion in subordinated debt.

- The Investment Unit Program (UDI) was created to help banks restructure portions of their loan portfolios. Banks will be able to segregate a portion of their loan portfolios and convert the loan values into UDIs. The value of an UDI will equal the value of the loan at the initial conversion. UDI values will be adjusted monthly to reflect changes in the consumer price index. Because the UDI is indexed, the interest rate paid by the borrower will be a real rate, enabling borrowers to resume payment of interest and amortize the principal over an extended maturity (6 to 12 years).

- Mexico's banking law has been amended to facilitate foreign investment. Prior to the amendments, a foreign bank had to control 99% of a bank's shares to operate it as a subsidiary. Now only a 51% majority is required. In addition, the aggregate market-share limitation on foreign institutions' ownership of the Mexican banking system was increased to 25%. Previously, the aggregate market share limit had been 8%, increasing to 15% by January 1, 1999. Under the amended law, the market share limit will be phased out by the year 2000.

- The NBSC recently announced an agreement reached by Banco Bilbao-Vizcaya (BBV) and Multibanco Mercantil Probursa (Probursa). Under the agreement, BBV will increase its ownership share in Probursa from 20% to 70% and inject $350 million in capital into the holding company. As part of the agreement, FOBAPROA will purchase approximately $700 million in loans from Probursa and issue the bank a ten-year Government of Mexico bond in exchange.

- The week of June 12, Banca Serfin announced that it had reached agreement with the Government of Mexico and its investor group on a restructuring plan. The plan was patterned after the previously announced Probursa deal. The Serfin shareholders will absorb all costs in fully provisioning the loan portfolio. After the portfolio has been provisioned, the shareholders will inject approximately $350 million in capital. Serfin will repay its PROCAPTE debentures. The Government of Mexico will purchase from Serfin approximately $700 million in loans.

- The NBSC has stepped up supervisory reforms to improve the skills of the NBSC staff, accounting and disclosure reforms, technical assistance to conduct on-site inspections, loan classification and provisioning standards, and bank regulatory reports. These reforms are supported by World Bank loans.

Financial sector loans help the government mitigate effects of the peso crisis

In June, 1995, the World Bank and the Inter-American Development Bank (IDB) Boards of Directors approved five loans for Mexico totaling $2.8 billion.

- On June 21, the IDB Board approved a $750 million loan for the financial sector.

- On June 22, the World Bank Board approved a one billion dollar loan for the Financial Sector Restructuring Program, and a $13.8 million financial sector technical assistance loan.

Funds provided by the two multilateral development banks will be used to provide foreign exchange quickly (both have mechanisms so that substantial funds can be provided in July), and to help restructure the banking system.

The financial sector loans will support many of the initiatives the Mexican Government has taken to mitigate the impact of the peso crisis on the banking system, while allowing the Mexican Government to broaden, deepen and institutionalize reforms. Specifically, the funds will help: (i) restore solvency and soundness to Mexico's banking system; (ii) reform accounting standards and prudential regulations for the banks; (iii) improve the Bank of Mexico's system of providing liquidity; and (iv) reform development bank lending. They will help the government to:

- Develop guidelines and procedures to reinforce discipline in the provision of liquidity from the Bank of Mexico and the development banks to the banking system;

- Conduct diagnostic studies with the assistance of an independent auditor and using U.S. accounting and loan classification standards, to determine the financial condition of intervened banks and banks receiving assistance under the PROCAPTE program;

- Develop and implement bank restructuring plans in a transparent manner and in accordance with market mechanisms;

- Formulate accounting standards consistent with U.S. GAAP, strengthen disclosure requirements, enforce audit guidelines and improve real estate appraisal standards;

- Reform and update prudential regulations, including loan classification and provisioning standards;

- Develop guidelines for securitizing assets; and

- Evaluate the impact of establishing risk-based eligibility criteria for development bank exposure to commercial banks.

II. g. Mexico's Social Safety Net and Long-Term Development Strategies

Mexico's Government has implemented measures to protect the poor

To limit the adverse effects of its austerity program on lower income households, the Mexican Government has implemented several measures in 1995.

- The government increased the minimum wage by 7% in January and by an additional 12% in April.

- Real spending on social services, such as education, health and potable water projects, has been cut much less than other discretionary programs. As a result, a greater share of public sector discretionary spending went to social services during the first quarter of 1995 (59%) than during the first quarter of 1994 (55%).

- The Mexican Government's March program includes a 3% earned income tax credit for those earning up to 4 times the minimum wage. In January, the government had provided a 3% tax credit for workers earning up to twice the minimum wage.

- The March program also increased, for 1995, the period during which unemployed workers would be covered by public health insurance from two to six months.

- The government also announced in March that it would fund a short-term rural employment program, costing NP 1.7 billion, to create approximately 550,000 jobs in public works in regions of high poverty and unemployment.

- In June, the government announced it will initiate a NP 300 million road conservation program which will generate another 120,000 jobs during the next six months.

- The government also increased producers' subsidies for bread, tortillas, and milk by NP 3.5 billion to protect the poor from rapid increases in the prices of these basic foods.

- Finally, the government increased funding for the PROBECAT program, which provides short-term job training.

Multilateral bank loans will help buffer the short-term impact of adjustment on Mexico's poorest citizens

The $2.8 billion in loans approved by the Boards of Directors of the IDB and the World Bank in June included $1 billion for social services:

- On June 21, the IDB Board approved a $500 million loan for the essential social services.

- On June 22, the World Bank approved a $500 million social services loan. This loan will provide the Mexican Government with excess reserves, since 78% of the program's costs are in pesos.

- The social sector loans from the IDB and the World Bank are designed to ensure that certain essential services are protected from budget cuts due to the austerity program and will help cushion the blow of the economic crisis to the poor by funding job retraining and short-term rural employment programs.

In addition, the loans will support: (1) *basic education* by, inter alia, providing textbooks, and supporting a program which sends teachers to primary schools in isolated rural areas; (2) *basic health services* by, inter alia, supporting the acquisition, storage, and distribution of vaccines, pharmaceuticals, and medical supplies; (3) *nutrition* by funding nutrition programs for vulnerable groups in the poorest areas; and (4) programs to monitor and evaluate project expenditures.

Zedillo Administration presents long-term development blueprint

Mexico's National Development Plan for 1995-2000, which President Zedillo announced on May 28, represents a broad statement of the Administration's priorities for the next six years.

- The Plan focuses on Mexico's foreign policy, the rule of law, political reform, and social development and emphasizes the Zedillo Administration's commitment to stay the course with its efforts to stabilize the economy.

- The Plan also underscores the importance of raising the level of domestic saving to promote Mexico's long-term economic growth. The plan sets a goal of increasing the ratio of domestic savings to GDP from 16% in 1994 to 22% by the year 2000. To achieve this the Mexican Government plans to:

  (1) reform its tax system, relying more heavily on consumption taxes, and less heavily on income taxes.

  (2) adjust corporate income taxes in such a way as to promote the reinvestment of profits.

  (3) promote, through reform of bank regulation, a wider range of financial instruments and services.

- Finally, the Plan pays particular attention to the need to invest in the Mexican people, to ensure that Mexico's return to prosperity improves the quality of life for all Mexicans.

III. Disbursements, Swaps, Guarantees and Compensation to the U.S. Treasury

As of June 23, 1995, $11 billion in U.S. funds have been disbursed to Mexico under the support program, of which a total of $10 billion remains outstanding -- $2 billion in short-term swaps, and $8 billion in medium-term swaps. To date, the United States has not extended any guarantees to Mexico under the support program approved by the President on January 31, 1995.

- Under the swap agreements, Mexico purchases dollars and credits a corresponding amount of pesos to the U.S. account at the Bank of Mexico. On the maturity date, Mexico repurchases the pesos and pays back the dollars. Both the short-term and medium-term swap facilities require Mexico to maintain the dollar value of peso credits to the United States, adjusting the amount of pesos on a quarterly basis, in accordance with changes in the dollar-peso exchange rate.

- As provided for in the agreements, the Government of Mexico must pay the Treasury interest on the swap balances outstanding. The interest charges applied to short-term swaps are designed to cover the cost of funds to the Treasury, and thus are set at the inception of each transaction at the current Treasury Bill rate.

- Interest charges applied to the medium-term swaps are designed to cover the cost of funds to the Treasury plus a premium for the credit risk associated with the extension of such funds, as assessed at the time of each disbursement. Paragraph 6(d) of the Medium-Term Exchange Stabilization Agreement (the Medium-Term Agreement) provides that interest rates on swaps with Mexico are "intended to be at least sufficient to cover the current U.S. Government credit risk cost for Mexico."

- For each disbursement under the Medium-Term Agreement, the premium is the greater of (1) a rate determined by the U.S. Government's inter-agency country risk assessment system (ICRAS) as adequate compensation for sovereign risk of countries such as Mexico, or (2) a rate based on the amount of U.S. funds outstanding to Mexico from short-term swaps, medium-term swaps, and loan guarantees at the time of disbursement.

- Mexico has not missed any interest payments or principal repayments under any of the swaps.

As of June 23, 1995, $9.5 billion has been disbursed through the ESF, of which $9 billion remains outstanding.

The schedule of swaps outstanding under both ESF and Federal Reserve swap lines is as follows:

Short-term swaps

- On January 11 and January 13, 1995, Mexico made two drawings of $250 million each under short-term swaps through the ESF. Mexico repaid these drawings on March 14, 1995.

- On February 2, 1995, the U.S. disbursed $1 billion under a short-term swap through the ESF; Mexico renewed this swap for an additional 90-day period on May 3, 1995. The current quarterly interest rate is 5.75%.

Medium-term swaps

- Mexico drew $3 billion under a medium-term swap on March 14, 1995. The current quarterly interest rate is 8.1%.

  Repayment is to be made in seven installments as follows: six equal installments of $375 million each, payable on June 30, 1998 and each successive calendar quarter date to and including September 30, 1999; and one installment of $750 million, payable on December 31, 1999.

- On April 19, 1995, Mexico made a second $3 billion drawing through a medium-term swap. The current quarterly interest rate is 10.16%.

  Repayment is to be made in twelve installments as follows: eleven equal installments of $245 million each, payable on June 30, 1997 and on the last day of each successive calendar quarter, to and including December 31, 1999; and one installment of $305 million, payable on March 31, 2000.

- Most recently, on May 19, 1995, Mexico drew $2 billion under a medium-term swap. The current quarterly interest rate is 10.16%.

  Repayment is to be made in twelve installments as follows: eleven equal installments of $170 million each, payable on June 30, 1997 and on the last day of each successive calendar quarter, to and including December 31, 1999; and one installment of $130 million, payable on March 31, 2000.

Federal Reserve swaps

Disbursements to Mexico through the Federal Reserve System total $1.5 billion, with $1 billion outstanding. All Federal Reserve disbursements are in the form of short-term swaps.

- On January 11 and January 13, 1995, Mexico made two drawings of $250 million each under short-term swaps. Mexico repaid these drawings on March 14, 1995.

- A short-term swap of $1 billion was extended on February 2, 1995; Mexico renewed the swap for an additional 90-day period on May 3, 1995.

IV. Mexico's Financial Transactions

Effective upon the signing of the agreements on February 21, 1995, and prior to each disbursement, Mexico must provide Treasury with information on the intended use of U.S. funds, and Treasury must verify that such uses are consistent with Mexico's Financial Plan.

- To date, Mexico has requested and Treasury has authorized the use of funds to redeem Tesobonos and other short-term, dollar-linked debt of the Mexican Government and its agencies. As of June 14, 1995, Mexico has used $7.2 billion in U.S. funds to redeem Tesobonos and $2.8 billion to accumulate reserves for future redemptions of Tesobonos and other short-term obligations.

With U.S. and other international support, Mexico has reduced the amount of outstanding Tesobonos, or short-term, dollar-linked government debt, by roughly $19 billion since the beginning of 1995.

- Since the beginning of 1995, the amount of Tesobonos outstanding in public hands has declined from $29.2 billion to roughly $10.2 billion at the end of June.

V. Status of the Oil Facility

Payments through the Federal Reserve Bank of New York account

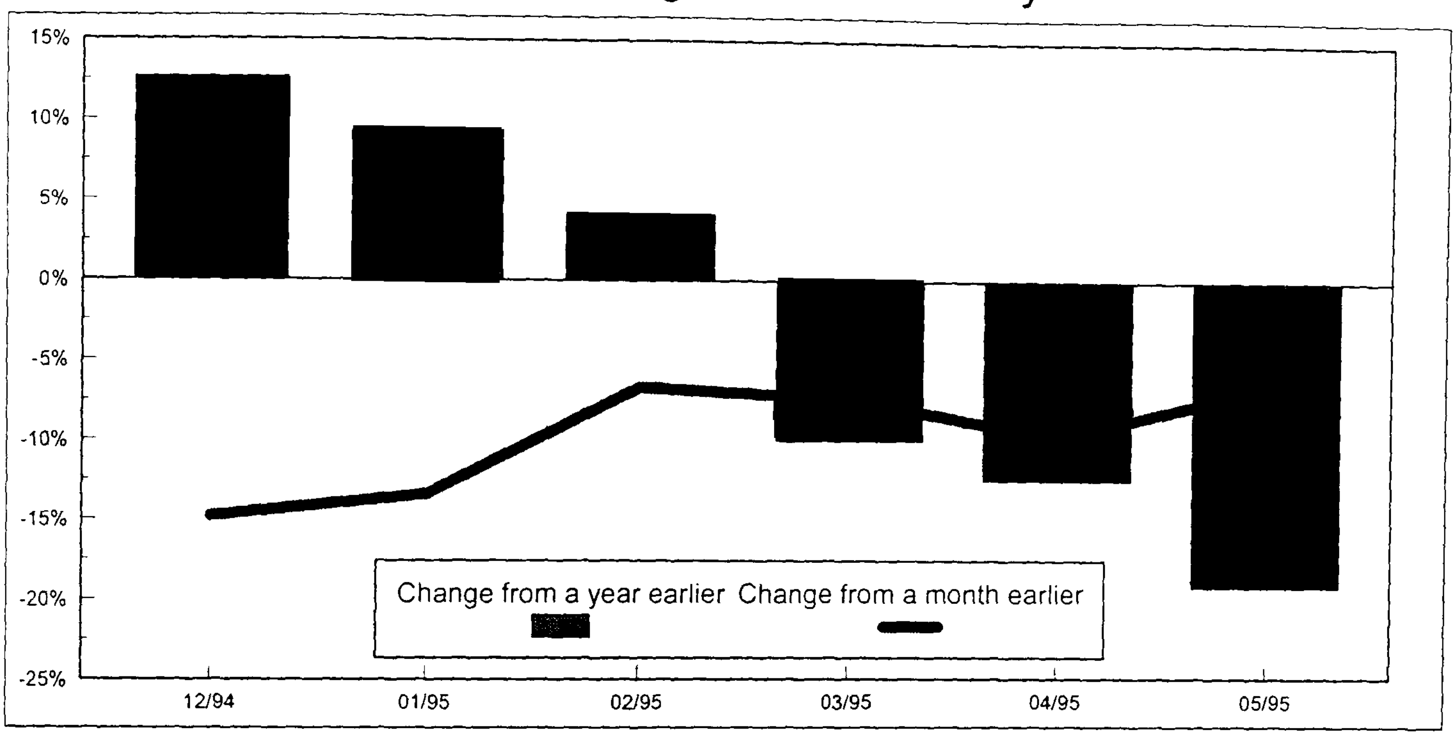
The payment mechanism, established under the Oil Proceeds Facility Agreement, continues to function smoothly.

As of June 23, 1995, almost $2.5 billion has flowed through Mexico's special funds account at the Federal Reserve Bank of New York since the agreement went into effect in early March. Approximately $25 to 30 million flows through the account each day. To date, there have been no set-offs against the proceeds from Mexico's crude oil, petrochemical, and refined product exports.

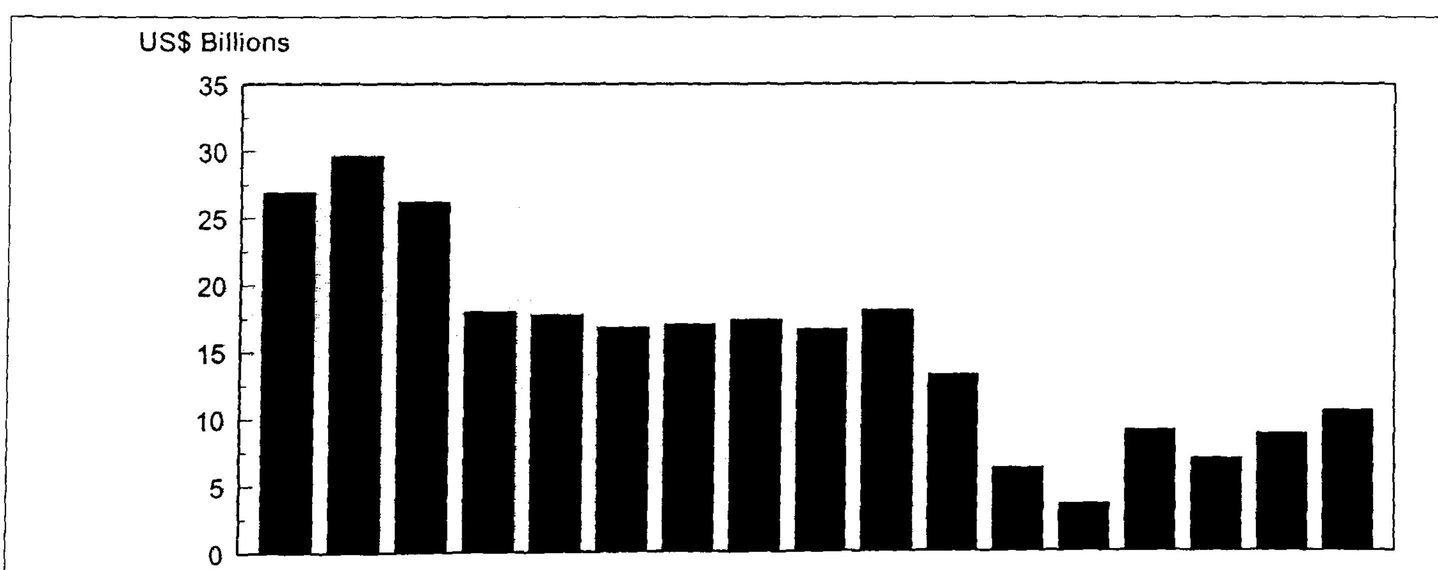
Graph a

Mexico's real monetary base continues to shrink...

Percent Change in Real Money



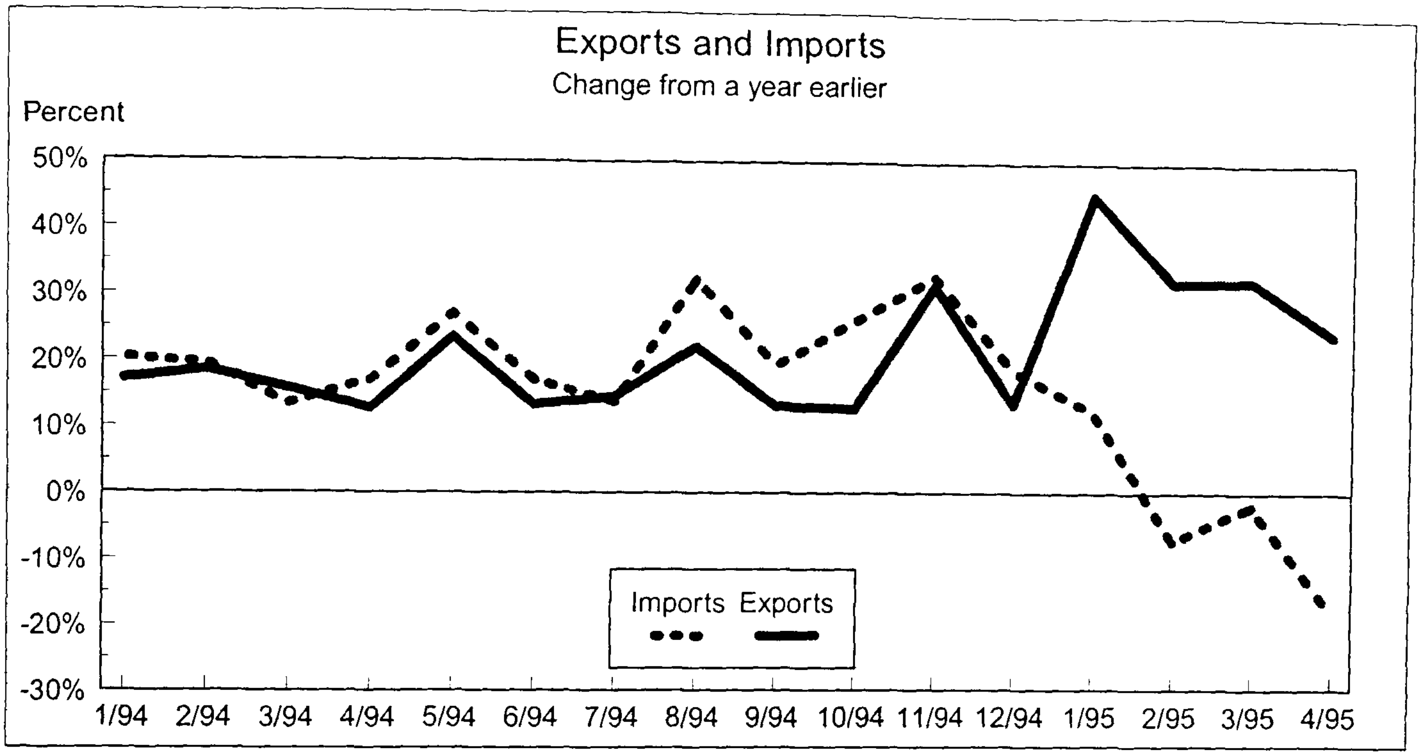
... as international reserves rise further over January lows.



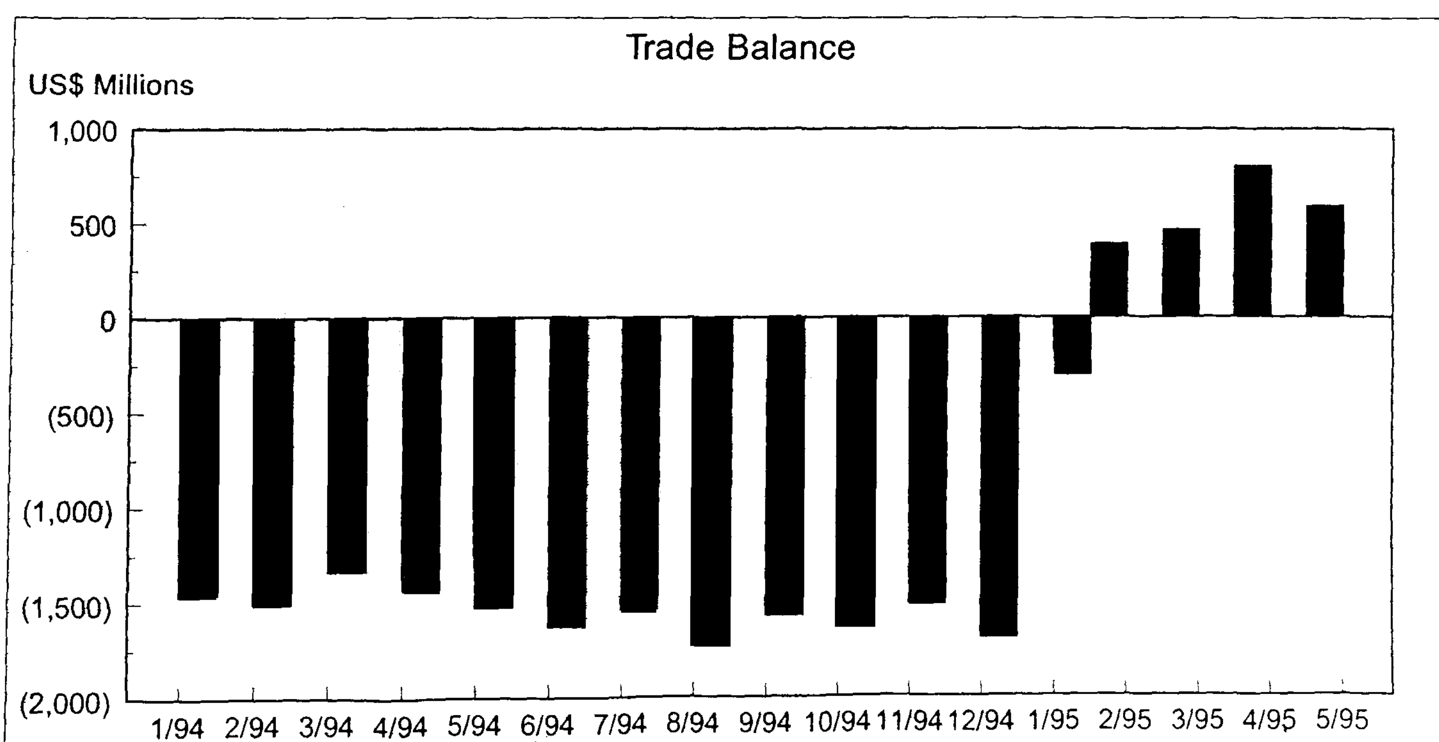
	Jan 94	Feb 94	Mar 94	Apr 94	May 94	Jun 94	Jul 94	Aug 94	Sep 94	Oct 94	Nov 94	Dec 94	Jan 95	Feb 95	Mar 95	Apr 95	May 95
International Reserves	26.842	29.550	26.135	17.909	17.668	16.732	16.952	17.301	16.583	17.990	13.130	6.148	3.483	8.977	6.850	8.705	10.438

Graph b

Imports continue to fall while exports remain strong...

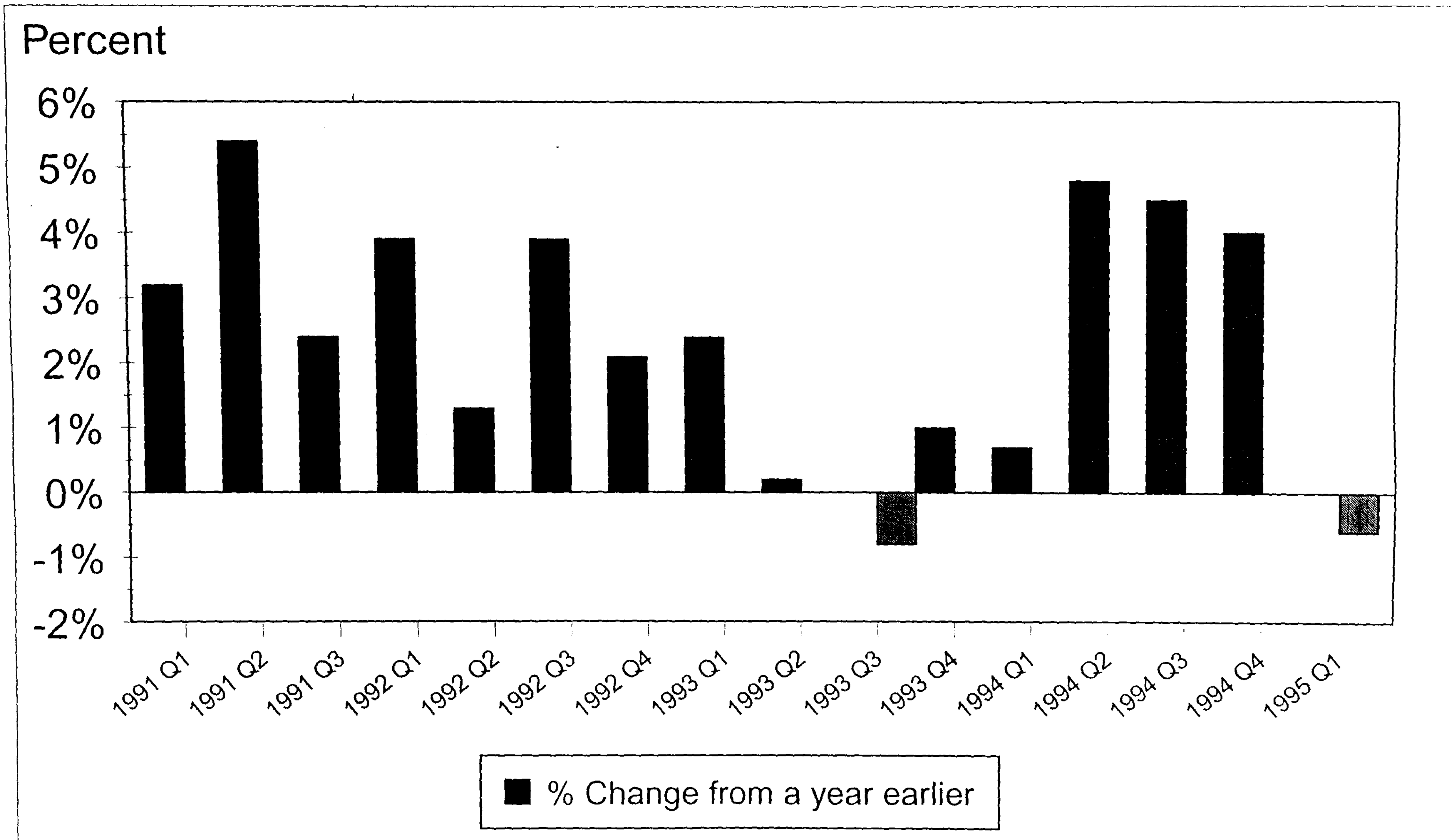


...producing a trade surplus for four consecutive months



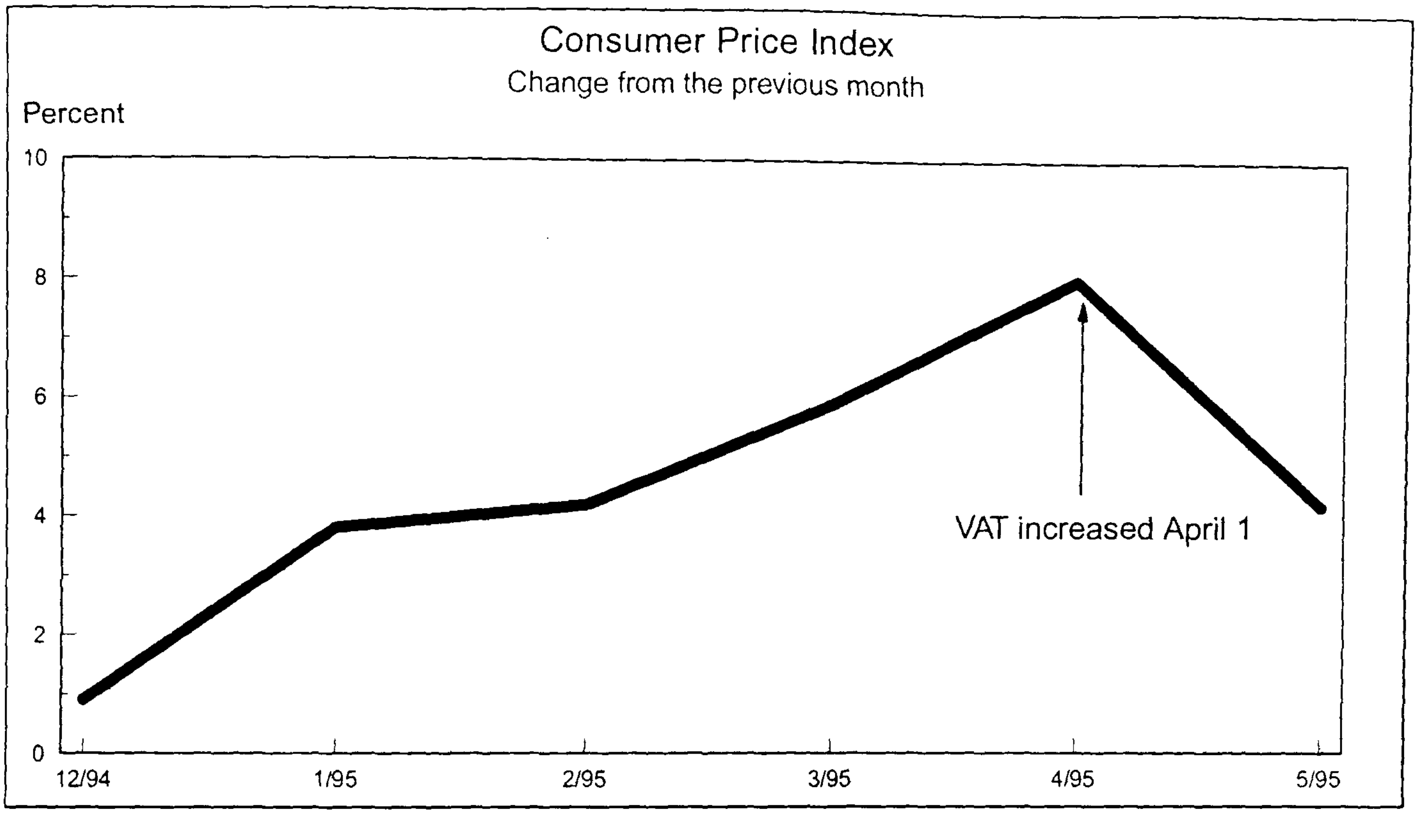
Graph c

First quarter GDP contracts after a strong increase in 1994

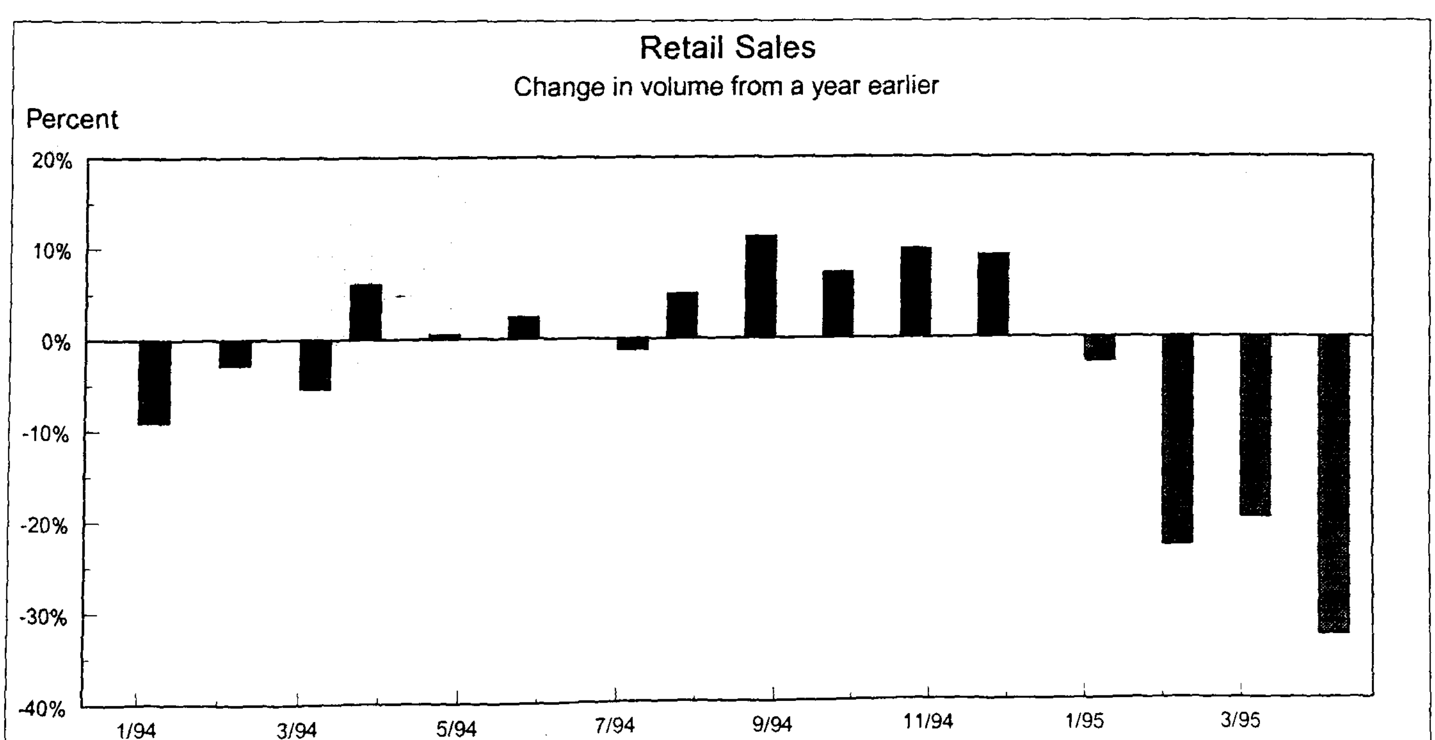


Graph d

Inflation has moderated...

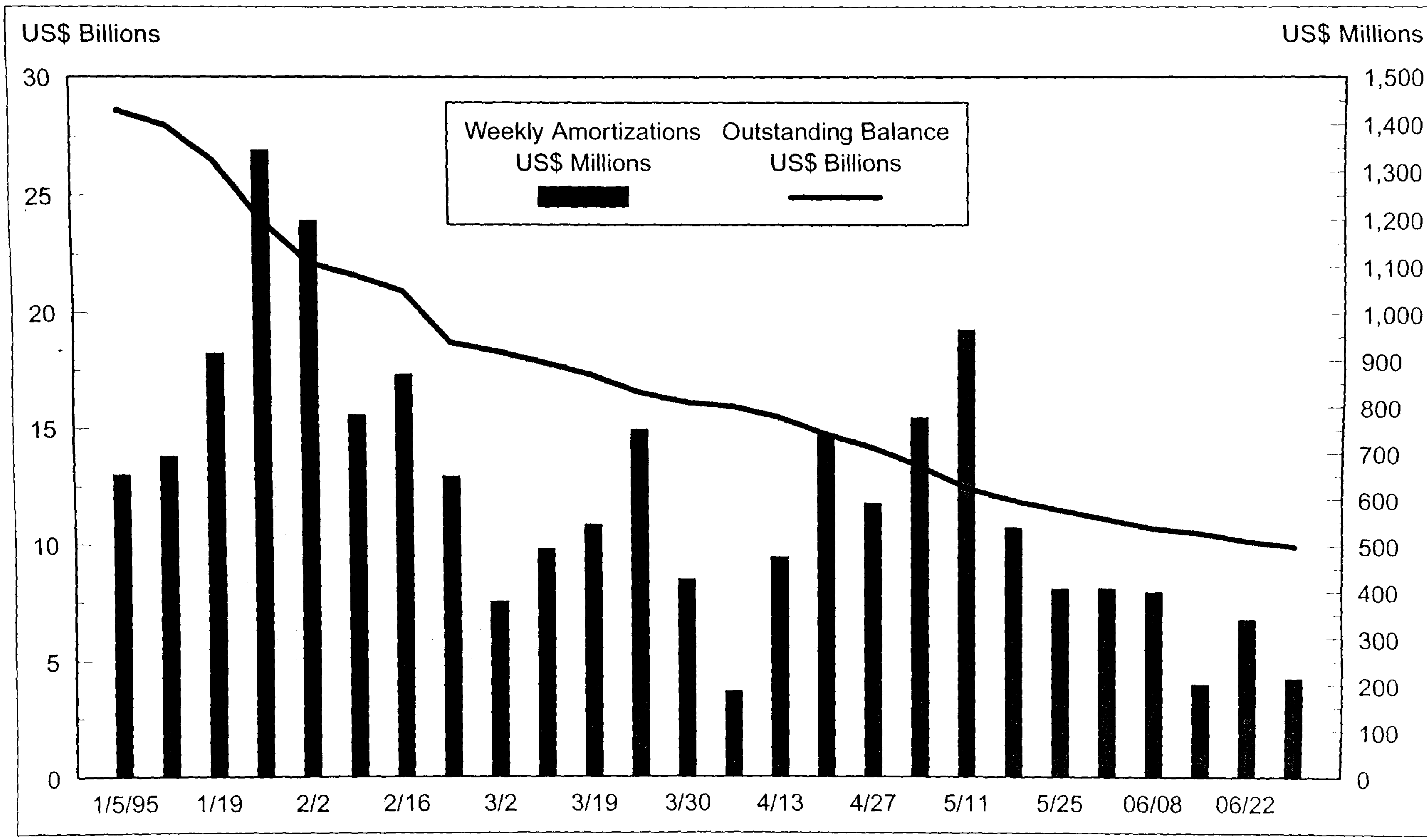


...as retail sales plunge.



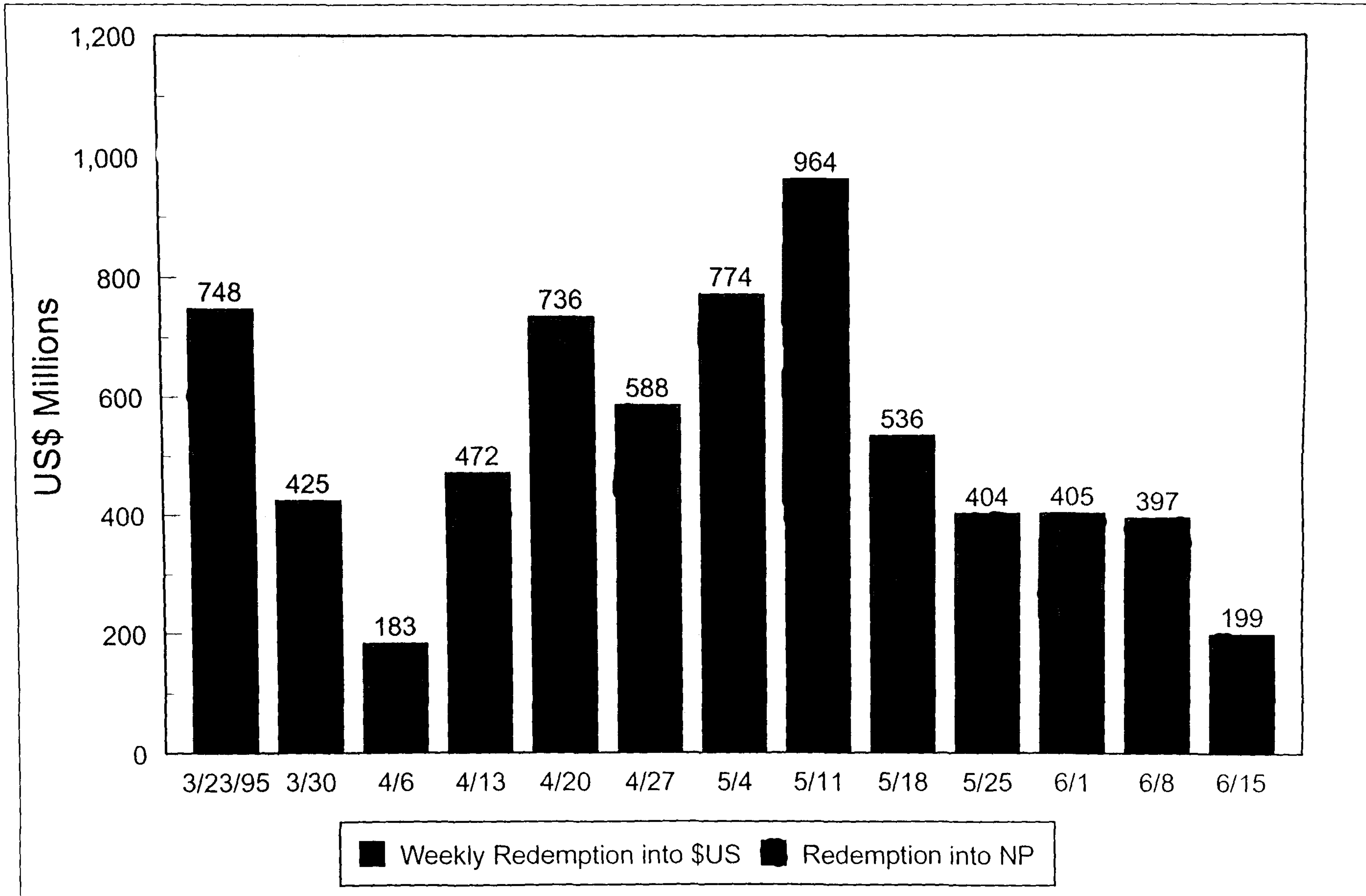
Graph e

Mexico has reduced its stock of short-term, dollar-linked debt by over $19 billion.



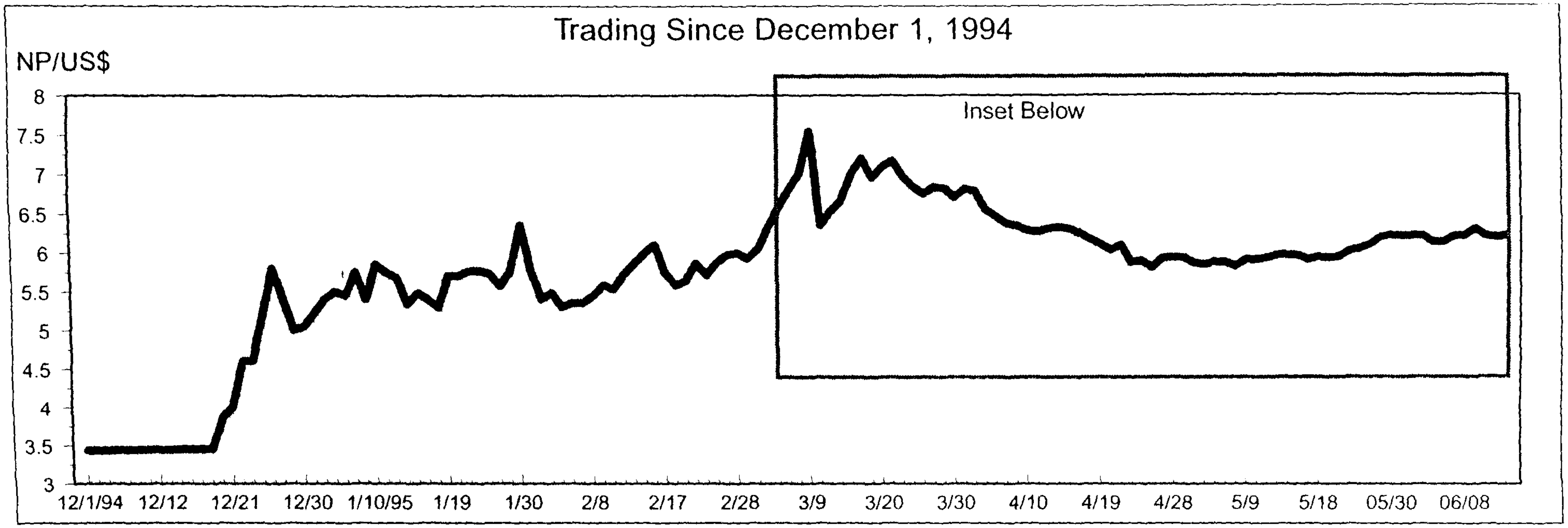
Graph f

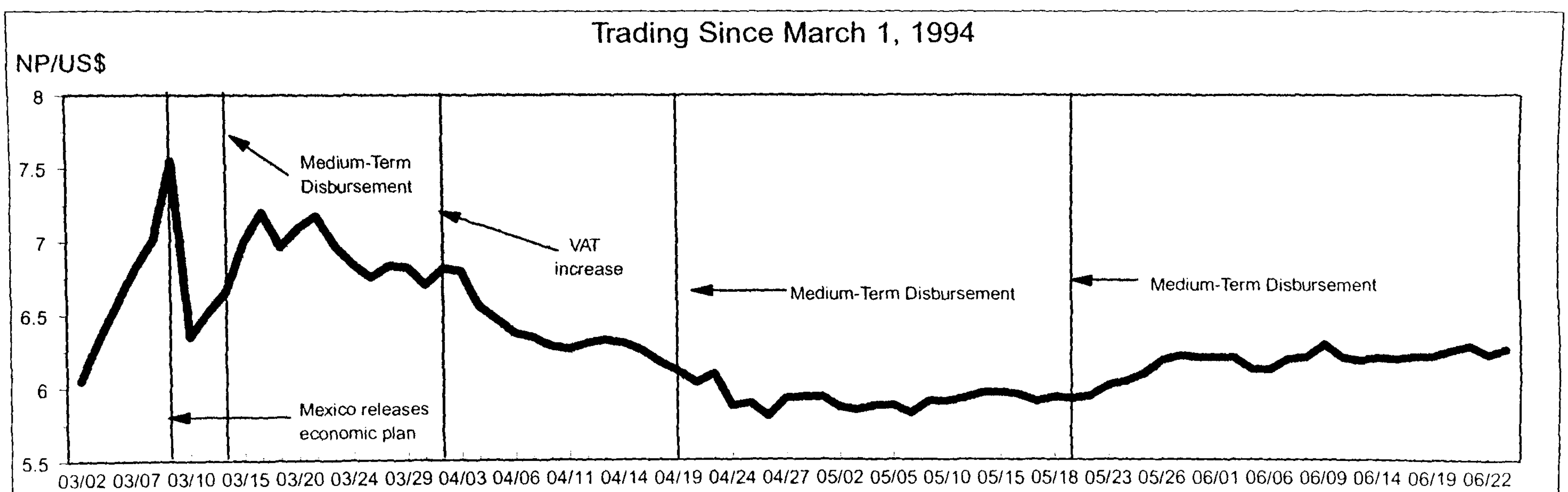
Investors are redeeming fewer tesobonos into dollars, reflecting increased confidence in Mexico.



Graph g

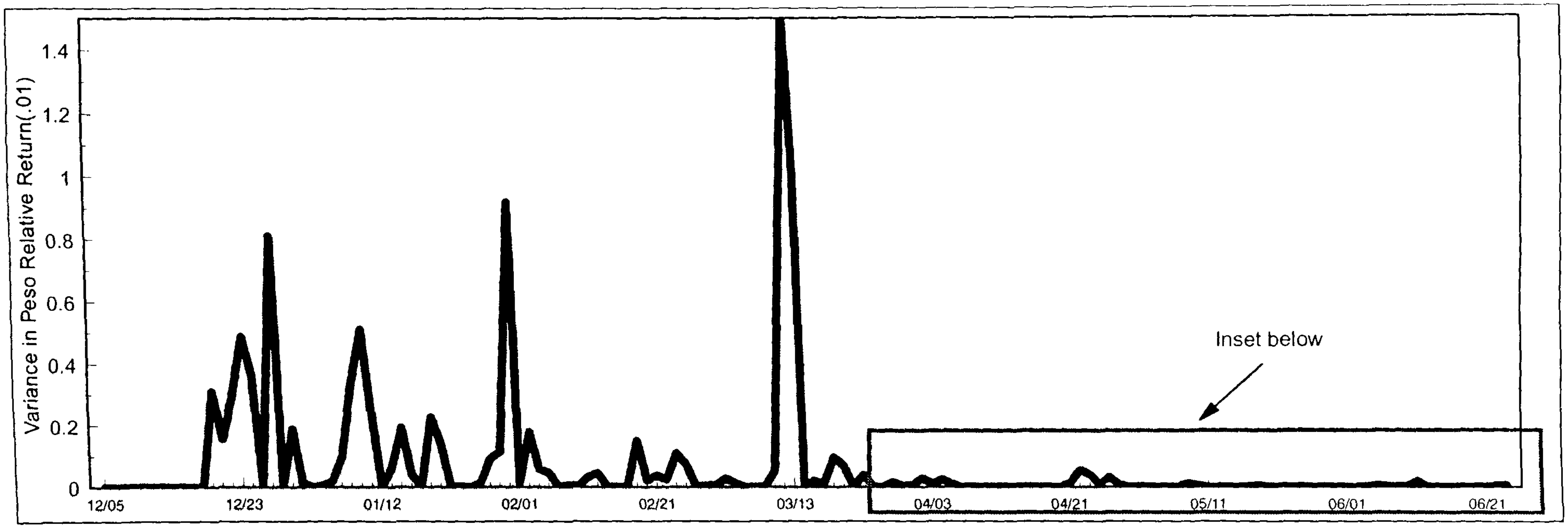
The peso has appreciated...



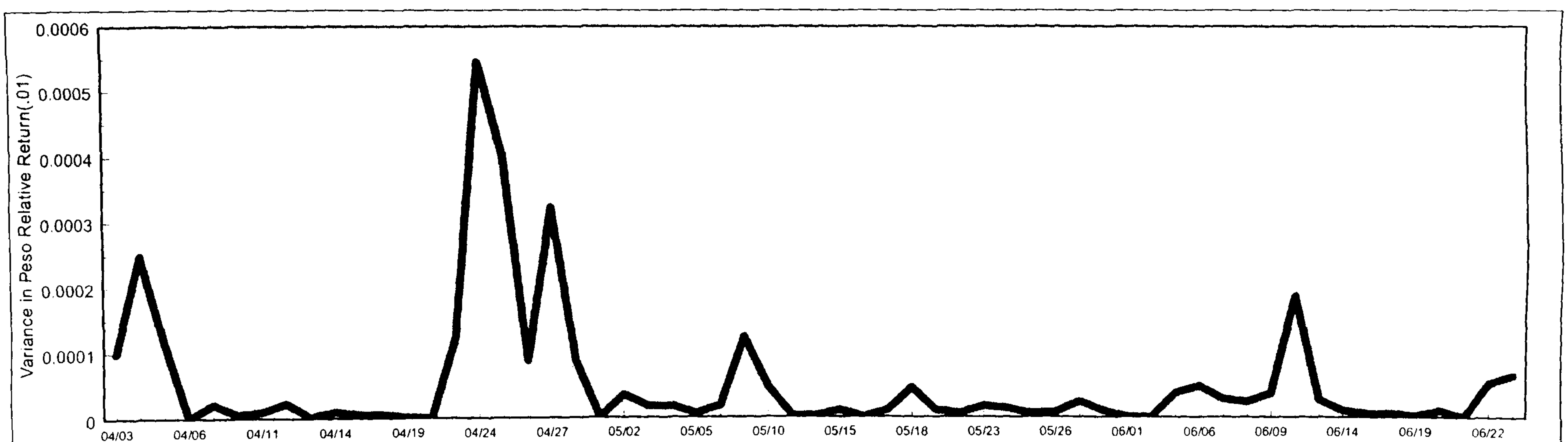


Graph h

... and has stabilized considerably

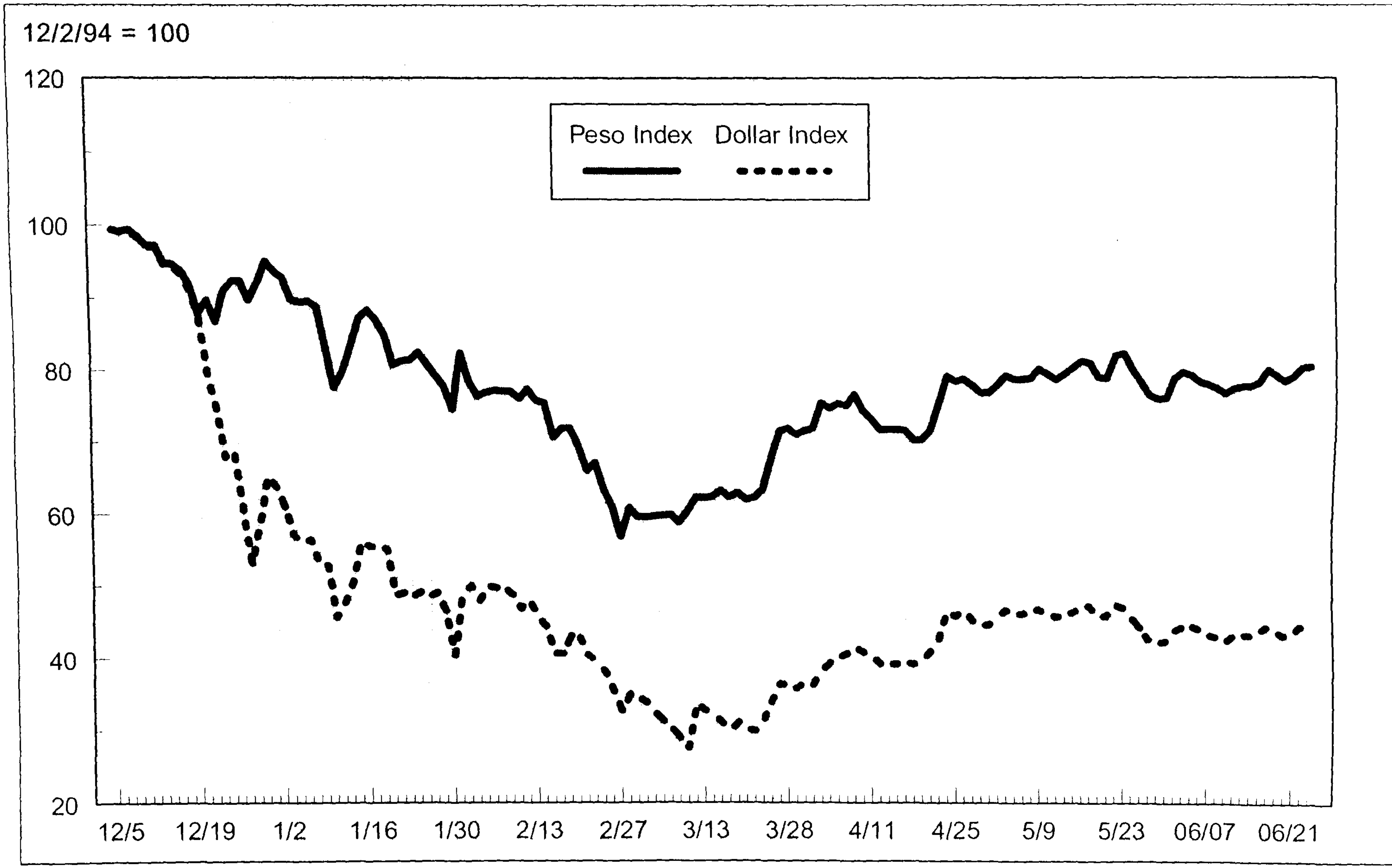


...trading within a narrow range in recent weeks



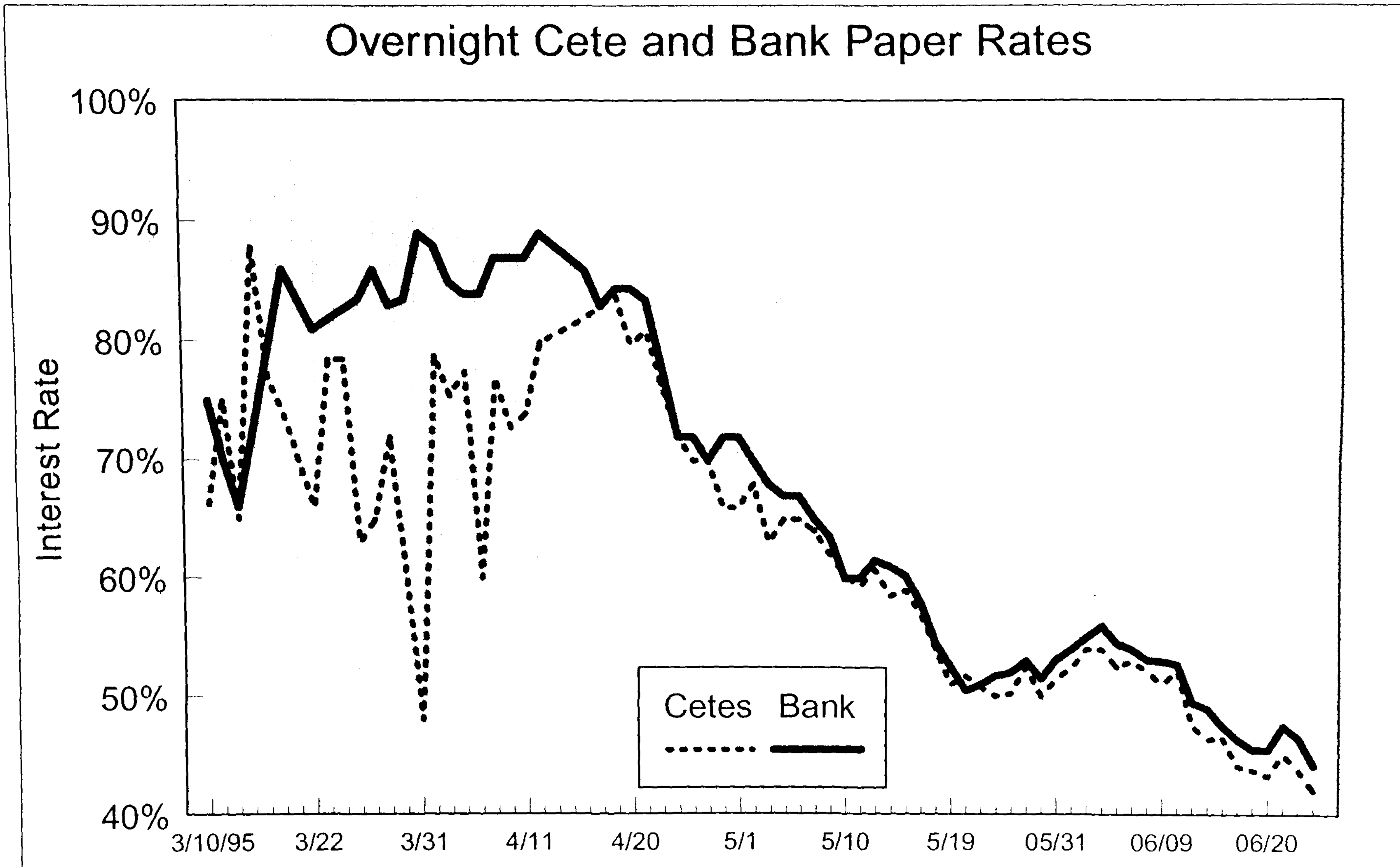
Graph i

The Bolsa has risen significantly from its February lows in both peso and dollar terms.



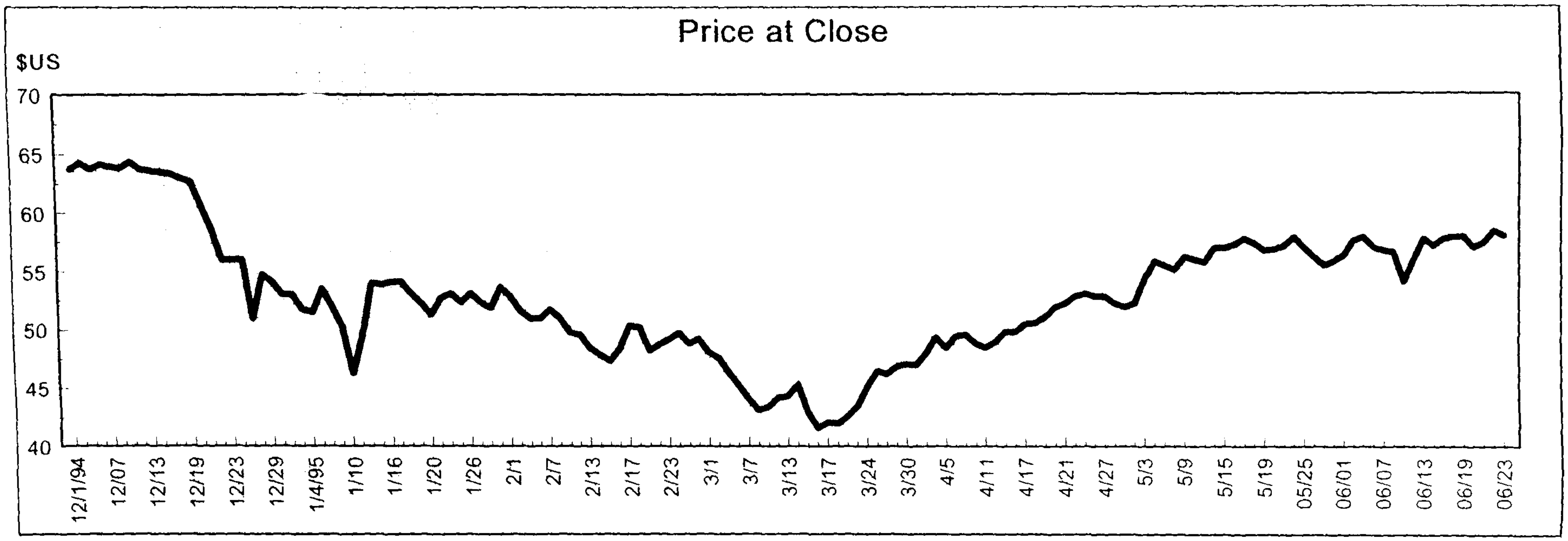
Graph j

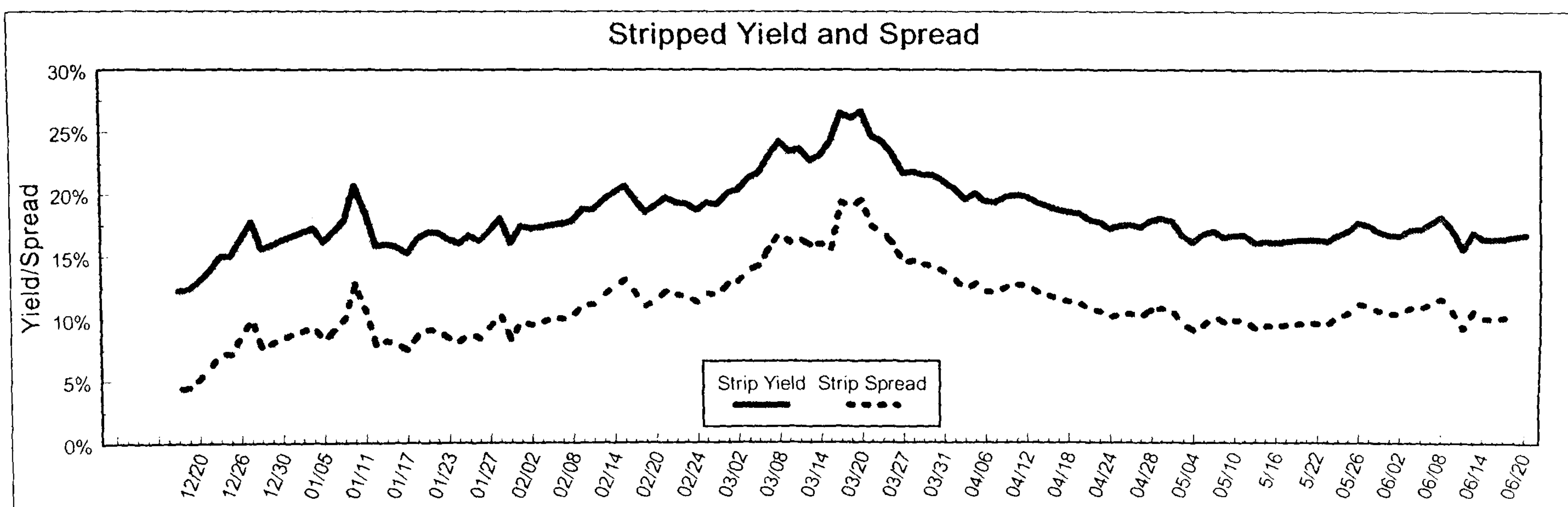
Interest rates have declined as investor expectations about inflation have moderated.



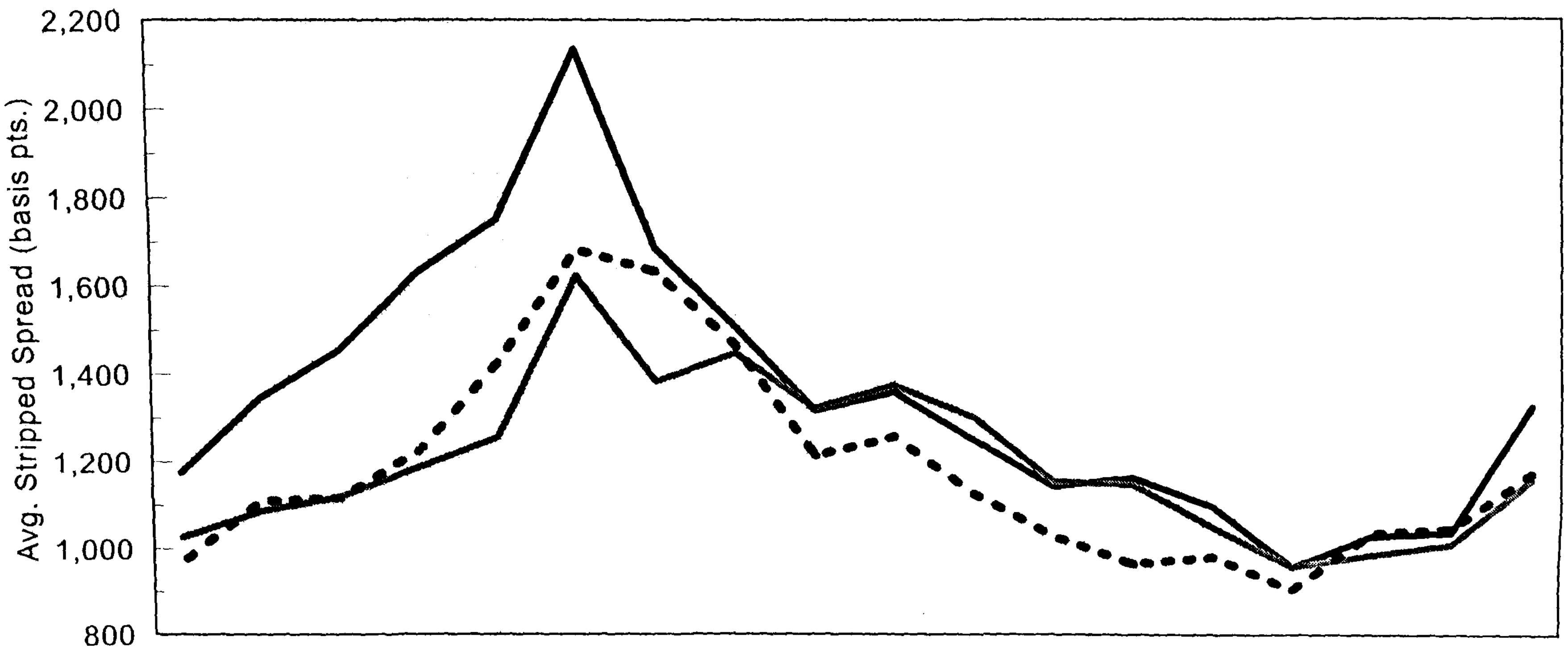
Graph k

Mexican Par Brady bonds have staged a sustained recovery.





As the "tequila effect" has abated, the Latin American Brady bond market has reacted favorably to developments in Mexico.



	02/03	02/10	02/17	02/21	03/03	03/09	03/13	03/27	04/04	04/11	04/19	04/27	05/03	05/10	05/17	05/26	06/01	06/09
Argentina	1,175	1,346	1,456	1,633	1,753	2,135	1,689	1,512	1,322	1,364	1,254	1,146	1,165	1,098	958	1,031	1,038	1,331
Brazil	1,026	1,087	1,120	1,189	1,259	1,627	1,387	1,453	1,327	1,380	1,307	1,157	1,150	1,050	959	987	1,011	1,160
Mexico	970	1,110	1,118	1,226	1,429	1,686	1,637	1,470	1,217	1,261	1,128	1,029	966	982	907	1,037	1,048	1,175

Averages based on selected Brady bonds,
weighted according to market capitalization.

DEPARTMENT OF THE TREASURY

TREASURY NEWS

OFFICE OF PUBLIC AFFAIRS • 1500 PENNSYLVANIA AVENUE, N.W. • WASHINGTON, D.C. • 20220 • (202) 622-2960

FOR IMMEDIATE RELEASE
June 30, 1995

Contac Jon Murchinson
(202) 622-2960

RUBIN ANNOUNCES PUBLIC AFFAIRS ASSISTANT SECRETARY NOMINEE

Treasury Secretary Robert E. Rubin announced Friday, June 30, that President Clinton has nominated Howard M. Schloss to be Treasury Assistant Secretary for Public Affairs.

Mr. Schloss has been serving as Deputy Assistant Secretary for Public Affairs since May 25, 1994, and has been at the Treasury Department since December of 1993. From January of 1991 to December of 1993, he was an account supervisor with the public affairs firm Powell Tate. Mr. Schloss worked for the Democratic Congressional Campaign Committee as deputy communications director and communications director from March of 1987 to January of 1991.

Mr. Schloss was assistant to the Op-Ed Page Editor at the *Fort Worth Star-Telegram* from 1983 to 1987. He was a writer and editor for United Press International in Dallas in 1982. Mr. Schloss has also been a copy editor for the *Fort Worth Star-Telegram*.

Mr. Schloss received a B.F.A. in journalism from Southern Methodist University in 1982. He and his wife, Debbi, have one son, Michael Austin, and live in Reston, VA. Mr. Schloss was born on Jan. 30, 1960.

-30-

RR-405

Anti-Defamation League®

Fact Finding Report

BEYOND THE BOMBING:

The Militia Menace Grows

An Update of *Armed & Dangerous*

Anti-Defamation League
1995

Table of Contents

INTRODUCTION

A new national survey by the Anti-Defamation League offers disturbing evidence that the militia movement has continued to grow since the Oklahoma City bombing. The pattern is not uniform, but militia gains plainly appear to outweigh losses -- contrary to the widespread expectation that public shock and revulsion at the bombing might prompt the militias to disband. The ADL survey also found that many hard-core militiamen believe that the United States Government itself conducted the bombing to create an excuse for further depriving citizens of their constitutional rights.

In October 1994 the ADL issued a Fact-Finding Report titled *Armed & Dangerous: Militias Take Aim at the Federal Government*, detailing militia activity in 13 states. The report sought to alert the American public and the law enforcement community to the danger posed by these extremists, many of whom were engaging in paramilitary training while spreading an incendiary anti-federal government message laced with conspiracy theories and, in some places, anti-Semitism.

Six months later, the militia movement came under intense national scrutiny after the deadly April 19, 1995, bombing of the Federal Building in Oklahoma City, when it was reported that two suspects in the bombing, Timothy McVeigh and Terry Nichols, had attended some militia meetings in Michigan. In addition, prosecutors have charged that McVeigh was motivated to commit the bombing out of anger at the federal government for its handling of the Branch Davidian confrontation in Waco, Texas -- an issue that has been one of the chief rallying cries of the militia movement.

A Growing Movement

Continued monitoring by ADL in the months after publication of the October 1994 report reveals that the militia movement has grown -- with some of the growth taking place after the Oklahoma City bombing. In this new survey, conducted through ADL's regional offices and completed six weeks after the bombing, militias have been found to be operating in at least 40 states, with membership reaching some 15,000. A continued flow of information indicates that these numbers could rise still higher. While these findings are not a definitive indication of the militias' future prospects, they do point to the need for ongoing close attention to this movement.

In California, more than 30 militias are presently operating, apparently having benefitted from the large amount of publicity the movement has received in recent weeks. Other states in which militia activity has increased are Michigan, Georgia, Alabama, New Hampshire, Missouri and Arizona. In a few states -- Ohio, Indiana and Colorado, for example -- activity has declined since the bombing. For some groups, such as the Northwest Oregon Regional Militia, a factor in their decline has been the belief that the government, having engineered the blast, is now poised to take extreme measures to destroy the militia movement.

Since the militias are mainly located in rural and small town communities, the burden of monitoring them falls largely on state and local law enforcement agencies. In the course of the current ADL survey, it became evident that many of these agencies -- in large measure for lack of adequate investigative resources -- have not yet managed to rise to this task. That job will be made even more difficult if, as some militias strategists are counseling, the groups adopt a strategy of organizing into small units designed to be less susceptible to detection, monitoring and infiltration by law enforcement. This approach echoes a strategic concept known as "leaderless resistance" that has been promoted in recent years by several far-right figures, including Tom Metzger of Fallbrook, California, who leads the White Aryan Resistance, and Louis Beam, a former Texas KKK Grand Dragon who has been "Ambassador-At-Large" of the Idaho-based Aryan Nations.

Weapons and Conspiracy Fantasies

The most ominous aspect of the militias' program is the conviction, openly expressed by many of them, that an impending armed conflict with the federal government necessitates paramilitary training and the stockpiling of weapons in preparation for that day of reckoning. According to the militias' conspiracy view, the federal authorities are enacting gun control legislation in order to make it impossible for the people to resist the imposition of a tyrannical regime or a "one-world" dictatorship. Many militia supporters believe that the conspiracy involves not only federal authorities, but also the United Nations, foreign troops and other sinister forces.

Sometimes mentioned among these sinister forces are Jews. ADL's first report on militias noted that a number of militia figures have histories of bigotry. The current survey confirms that some militia propaganda continues to exhibit an anti-Semitic strain that could well become more pervasive among militia groups as a result of the movement's obsessive conspiracy-mongering.

In this connection, the role of America's leading anti-Semitic organization, Liberty Lobby, and its weekly publication, *The Spotlight*, merit attention. In April 1995, ADL revealed that one of the Oklahoma City bombing suspects, Timothy McVeigh, advertised for sale in *The Spotlight* a military-style rocket launcher. On May 28, *The New York Times* reported that Terry Nichols, the other bombing suspect, and his brother James were readers of *The Spotlight*. Many of the conspiracy fantasies fueling the militias were promoted heavily in a September 1994 eight-page supplement of *The Spotlight*. The supplement, widely distributed among militiamen, intoned: "Is America on the verge of war? Is a 'national emergency' about to be declared and America placed under martial law? Is America on the brink of occupation by military troops under United Nations control?" In addition, the Militia of Montana has been promoting for sale in its catalog a comprehensive bomb-making manual entitled *The Road Back*, which was produced by Liberty Lobby's publishing arm, Noontide Press. The catalog describes the book as "a plan for the restoration of freedom when our country has been taken over by its enemies."

Spreading Their Message

The militia movement's continued growth is due -- at least partly -- to an effective communications network. Militia organizers have promoted their ideology not only at militia meetings, but also at gun shows, "patriot" rallies and gatherings of various groups with anti-government "grievances." Some militia firebrands reach their audience through mail-order videotapes and through computer bulletin boards and the Internet. Exploiting yet another medium, the pro-militia American Patriot Fax Network disseminates material from well-known hate group figures and conspiracy theorists, including some who proclaim that the government orchestrated the Oklahoma City bombing.

Of course, the fact that the men charged with the Oklahoma City bombing have had some association with one militia group does not make the entire movement responsible for the crime. But even if no further connection is established between the bombing and the militias, it should be clear by now that these extremists, particularly those engaged in paramilitary training, present a serious danger. The formula they have concocted -- belief in menacing conspiracies, hatred of the government, and the conviction that an armed showdown is coming -- is a prescription for disaster.

For these reasons, the Anti-Defamation League urges the vigorous enforcement by the states of existing statutes outlawing specific types of paramilitary training. Many of these measures, currently on the books of 24 states, were patterned after a model bill formulated by ADL (see ADL's recent Law Report, *The ADL Anti-Paramilitary Training Statute: A Response To Domestic Terrorism*). The League has written to the governors of the remaining 26 states, urging them to work with their legislatures to adopt such a statute. In addition, ADL has called for federal legislation to address the terrorist threat associated with both international and domestic extremism. We are encouraged at the rapid progress that appears to be taking place on a bipartisan basis toward the adoption of a comprehensive anti-terrorism bill.

The following is a state-by-state summary of militia activity, supplementing the information contained in our October 1994 report, *Armed & Dangerous*.

MILITIA ACTIVITY IN THE UNITED STATES

Number of [rifleman symbol] indicates level of activity in 40 states with known Militia groups.

© Anti-Defamation League, June 1995.

ALABAMA

Alabama has a small, but steadily growing, militia movement. Its most active groups, which appear to be in regular contact with one another, are the Gadsden Minutemen of Etowah County and the Montgomery County-based Sons of Liberty. The Gadsden Minutemen, led by Mike Kemp and Jeff Randall, publish a regular newsletter and meet periodically to practice battle skills and hand-to-hand combat techniques.

The Sons of Liberty is a small group with a deliberately low profile. The organization's manual advises members to "keep the group size down. If you've got more than 10-12 spin off another group." Followers are also warned not to "keep all your eggs in one basket. If you have more than one rifle, keep it in a hideaway spot." Finally, the handbook counsels, "Don't lose sight of our objective.... Don't fire unless fired upon, but if they [federal officials] mean to have a war let it begin here."

ALASKA

Small militias have formed in Alaska. Despite their modest size, the groups have caused concern among observers. An Anchorage attorney and board member of the National Rifle Association has called some of the militias "extremely dangerous."

Alaskan militias are connected to the national militia movement via computers. The electronic bulletin board services "AmeriKa" and "Back Woods," based in Anchorage, provide users with conspiracy literature -- including articles by Linda Thompson (see **Indiana**) and on topics ranging from "NATO and U.S. Join Together For Total Civilian Disarmament" to "Why the British Had To Kill Abraham Lincoln." The bulletin board services also act as forums for users to lambast the purportedly encroaching powers of the federal government.

ARIZONA

A number of militia supporters and anti-federal government advocates hail from Arizona. William Cooper of St. Johns has broadcast a nightly shortwave radio program, "Hour of the Time," promoting militias and "New World Order" conspiracy theories. Gerald "Jack"

McLamb, a former Phoenix policeman and founder of Police Against the New World Order, aims to convince law enforcement officials of a plot to create a one-world government. McLamb targets a law enforcement audience with his conspiracy tract, *Operation Vampire Killer 2000*, and a newsletter, *Aid & Abet*, co-produced with Mesa police officer Rick Dalton. Another lawman, Graham County Sheriff Richard Mack, has spoken at "patriot" gatherings about his successful suit against the U.S. Government to avoid enforcement of the Brady Law in his county, an action that has earned him the admiration of militiamen nationwide.

Actual militia organizing in the state has occurred in the areas of Phoenix, Prescott, Payson, Snowflake, Kingman, Pinedale and the Four Corners, with some continued growth since the Oklahoma City bombing.

In April 1995, two men from Snowflake with reported ties to a militia were charged with illegal conspiracy to manufacture, possess and sell 20 grenades to a federal undercover agent. Kenneth Zesk, 40, and Danny Fite, 26, reportedly said that their group was arming itself for a confrontation with the federal government. The charges are pending.

On May 23, 1995, Stephen Gehring, a Mesa attorney and reputed leader of the Payson-based Militia of Arizona, was charged with fraudulent schemes and hindering prosecution, stemming from an alleged attempt to pass bogus money orders. Gehring is accused of trying to use the notes to pay off a property tax bill and to post bail for another reported militiaman, Ricki John Lawhon.

ARKANSAS

Militia organizing in Arkansas remains embryonic with one to three groups in the northwest region of the state. The groups are not known to engage in paramilitary training.

In Fayetteville, archery equipment producer Wayne Fincher of Elkins has organized the Militia of Washington County.

CALIFORNIA

California's militia movement has been growing rapidly, with approximately 35 units throughout the state. The locations of these groups range from urban centers to small towns, and extend from the state's northern to southern borders. Counties in which militias have been active include: Los Angeles, Orange, San Bernardino, San Diego, Kern, Placer, Alameda, Marin, Santa Clara, Shasta, San Joaquin, Stanislaus, El Dorado, Tulare, Sonoma, Mendocino, Butte, Tuolumne and Tehama.

This widespread activity has been encouraged on public access television and radio. "The Informed Citizen," a television program broadcast on Redding's public access channel, Michael Zwerling's radio talk show on KSCO in Santa Cruz, and "Truth Radio" KDNO in Delano, all promote militias.

Dean Compton, 33, a resident of rural Shasta County, has founded the National Alliance of Christian Militias in response to the perceived threat of an impending "New World Order." The group, whose members are armed, reportedly blends Biblical teachings and survivalism. Training sessions are conducted on Compton's 130-acre ranch.

Visiting Activists

Far-right organizer and former Green Beret Bo Gritz (see **Idaho**) has promoted his SPIKE program (Specially Prepared Individuals for Key Events -- a paramilitary survivalist training course) in California. Gritz conducted a SPIKE session and gave a speech in Butte County in February 1995, at which time the Butte County Militia was forming. On that visit, Gritz reportedly said that Americans might finally be awakening to the threats he sees: "Who would have ever thought," he was quoted as saying, "these militias would spring up everywhere?" Gritz also encouraged the formation of militias in a March 1995 speech in Glendale.

Over the past year, Mark Koernke ("Mark from Michigan") has spoken around the state as well. In August 1994, Koernke appeared in Concord, where he reportedly described a future takeover of the U.S. by foreign "New World Order" troops and claimed that the Federal Emergency Management Agency (FEMA) will establish concentration camps for American citizens. "The solution," he said, "is militias. It looks like we're going to pull the trigger. We eventually will. No doubt about that." In August and September 1994, Koernke also spoke to audiences in Kern County, and in May 1995, he addressed 600 people at a "Taking America Back" conference in Palm Springs. The organizer of the event, Tom Johns, claims to be the "intelligence officer" for the Morongo Valley Militia.

Bob Fletcher of the Militia of Montana addressed a San Fernando Valley group called the Granada Forum in Tarzana in March 1995. The group, which gathers regularly to discuss "patriot" issues, has also heard speeches by longtime anti-Semite Eustace Mullins and California State Senator Don Rogers, who has proposed a resolution objecting to any U.S. assistance in the formation of a "global government" and the "merger of the United States" into such a world government.

COLORADO

Sources indicate that militia organizing in Colorado has been frozen in the aftermath of the April 19 bombing of the Oklahoma City Federal Building. Meetings have been put on hold, though it does not appear that the groups have disbanded.

Despite this development, anti-federal government and conspiracy-oriented tirades continue to be phoned in by listeners to radio station KHNC in Johnstown, which broadcasts a steady stream of "patriot" programs. In recent weeks some callers have expressed the view, held by many militia supporters, that the government itself carried out the Oklahoma City blast.

Another important vehicle for pro-militia activism in Colorado is *The USA Patriot Magazine*, edited by D. A. Weideman and published monthly by the USA Patriot Network in Johnstown. The periodical, whose cover price is "4 FRNs" (Federal Reserve Notes), contains a "Telephone & Address Book" listing dozens of contacts. Among them are *The Free American*, a pro-militia periodical from New Mexico; Militia Supply, identified as a "Patriot Hardware" outlet with a catalog and a toll-free phone number; Mark Koernke (listed as "Mark from Michigan"), whose speeches and videotapes have encouraged militia organizing throughout the country; and Bob Fletcher, of the Militia of Montana.

Fletcher has traveled to Colorado on behalf of his militia. In a January 1995 speech in Fort Collins, he instructed fledgling militiamen that "you better damn well learn how to use a gun if you don't know how to use one now."

Prior to the Oklahoma bombing, militias had organized in Larimer and Weld Counties near the Wyoming border, in counties around Denver, in Park County west of Colorado Springs, and in the southern region of the state.

Charles Duke

Colorado's militia movement has been publicly defended by State Senator Charles Duke, who has reportedly said that "the few militia people I know practice a policy of nonviolence, ... not altogether too different from a Boy Scout kind of idea." Following the Oklahoma City bombing, a *Denver Post* columnist reported that Duke raised the possibility of a government role in the bombing: "They're certainly capable of it. Look what they did to Waco. There's many people around the country who believe they did it.... Is it unreasonable to see the continuation of a pattern here?"

DELAWARE

The Delaware Regional Citizens Militia, located in the central part of the state, began organizing in the early months of 1995. Leader Andrew Brown has claimed that membership in the group is so secretive he would identify "only seven or so, even if you tortured me."

Brown has joined the chorus of militia leaders attributing the Oklahoma City bombing of April 19, 1995, to the federal government. "The government is behind this one," he has said. "I'm telling you, the government perpetrated that bomb. There's going to be more bombings, but it's not us, man. It's not us."

FLORIDA

Militias and their "patriot" supporters are operating throughout Florida in the following counties: Alachua, Duval, Clay, St. Johns, Marion, Orange, Brevard, Highlands, St. Lucie, Martin, Volusia, Indian River, Okeechobee, Pinellas, Sarasota, Pasco, Polk, Hillsborough, Palm Beach and Monroe. Robert Gene Pummer, formerly of Martin County and once the key organizer of the Florida State Militia, has moved to Mayfield, Kentucky.

On December 3, 1994, outside Melbourne, a collection of anti-government activists and militia groups organized a "Patriot Alert Rally." Martin "Red" Beckman, a tax protestor from Montana, told the gathering, "They lied to us about Pearl Harbor and Vietnam and Korea and the energy crisis and the Kennedy assassination. We don't want to have to go to the militia if we can help it. But if we don't have truth in this country, part of the judgment that's going to come on this country is going to come from the militia."

Literature for sale at the rally included copies of *The New Federalist* (a publication of political extremist Lyndon LaRouche), *The Spotlight* (the organ of the anti-Semitic Liberty Lobby), literature from the St. Lucie-based Florida State Militia, 2nd Regiment, and a handbill from the Brevard County Militia proclaiming: "Wake-up America, Your country is being taken over bit-by-bit. Join Your fellow PATRIOTS to STOP this MOVEMENT."

The same month, the Gainesville City Hall briefly flew a United Nations flag. Members of militias from around the state and the nation, including then-Michigan Militia leader Norman Olson, issued a flood of complaints and threats to the city and local business leaders. The flag was removed. Gainesville's city manager stated, "The city commission meeting that we had regarding the U.N. flag was probably the meeting at which I felt more personal fear than any other public meeting I've ever attended in 20 years."

On the airwaves

In Pensacola, militias are promoted by Chuck Baldwin, the pastor of Crossroads Baptist Church. Baldwin hosts a radio show on the Christian Patriot Network and invites listeners to call in: "We're talking about citizens' militias, federal government's encroachment on individual rights, New World Order, United Nations, gun control, it's all related." Militias are also promoted on the public access channel in Alachua County, which airs a pro-militia video produced by the North Florida Patriot Association.

GEORGIA

Frank Smith, an Air Force veteran and retired tool-and-die maker, claims to lead the Georgia Militia. Days after the April 19 bombing of Oklahoma City's Federal Building, Smith echoed the sentiments of militia leaders across the country by blaming the U.S. Government for the blast. Speaking on the CNN television program "Talkback Live," Smith said the government was "trying to get the militia movement to come out and fight. We expected them to do something drastic. We didn't expect it to be that drastic."

In March 1995, the Voice of Liberty Patriots, a group led by Rick Tyler of Epworth, held a conference in Atlanta featuring state and county rights advocates -- including Colorado State Senator Charles Duke and California State Senator Don Rogers -- as well as conspiracy theorists. Several in attendance sported "Georgia Militia" T-shirts reading "Don't Tread On Me." Literature offered for sale at the rally included the anti-Semitic Liberty Lobby's *Spotlight* tabloid.

Tyler also directs a so-called constitutionalist, anti-tax group known as the Georgia Taxpayers Association, and co-hosts "Voice of Liberty," a daily shortwave radio program. Soon after the Oklahoma City bombing, "Voice of Liberty" listeners were told that the disaster was being used by the government as an excuse "to put across their agenda of establishing a police state.... They are ruthless, they are cunning, they are cutthroat, and furthermore, we are their target."

Another organization, known as Citizens for a Constitutional Georgia, meets weekly at an Atlanta hotel. Materials available for sale at the meetings have included pro-gun literature, but also *The Protocols of the Elders of Zion* and *The Spotlight*. The group has sponsored local appearances by well-known militia activists Mark Koernke (see **Michigan**) and Marietta native Linda Thompson (see **Indiana**). The latter gave a speech at the Cobb County Civic Center that was attended by some 800 people.

A militia group in north Georgia conducts paramilitary maneuvers on a 38-acre tract in Hall County, northeast of Atlanta.

IDAHO

In recent months, Idaho's militia movement has attempted to achieve mainstream acceptance. Carefully toning down his group's rhetoric, militia leader Samuel Sherwood, of the Blackfoot-based United States Militia Association (USMA), has told Idaho lawmakers that his organization is working for change within the political system. On other occasions, however, Sherwood has derided the state's government and has seemed to encourage violence against its representatives.

Sherwood has exploited local dissatisfaction with federal environmental policy to boost his recruiting efforts. In January 1995, a federal judge issued an order prohibiting mining, logging and ranching in five National Forests in Idaho to protect endangered salmon in the area. The move threatened the livelihoods of many Idahoans including residents of the small town of Challis. Sherwood, plying the fears and anger of the community, reportedly encouraged Challis residents to join his militia to fight such federal restrictions and declared:

> We're ready to look the federal government in the eye. We want a bloodless revolution, but if the bureaucrats won't listen we'll give them a civil war to think about. All it's going to take, is this crazy judge to close down central Idaho and there'll be blood in the streets.

Threat to Legislators

Sherwood issued another menacing threat in March. After meeting with Idaho Lieutenant Governor Butch Otter, Sherwood complained that some Idaho politicians ignored the interests of state citizens in favor of a federal agenda. His advice to followers, widely reported, was: "Go up and look legislators in the face, because some day you may have to blow it off."

Sherwood has claimed that state militia members helped Republican Anne Fox win election last November as Idaho Superintendent of Education. According to the Associated Press, Sherwood said that 1,000 militia members were on hand to assist the campaign effort by answering telephones and providing other services. After Fox's victory at the polls, Sherwood served briefly as a member of her transition team.

In February 1995, Fox spoke at a USMA meeting in Boise. On the podium, she expressed approval for the militia's strong opposition to gun control and its calls for states' rights.

On April 15, 1995, militia members, tax protesters and constitutionalists from across the country, gathered in Post Falls for a day-long seminar. Speakers before the reported crowd of 300 included Militia of Montana leader John Trochmann, anti-tax activist M. J. "Red" Beckman, of Billings, Montana (see *Armed & Dangerous*), and Eustace Mullins, of Staunton, Virginia, a longtime anti-Jewish propagandist and conspiracy theorist.

Bo Gritz

Far-right figure and former Green Beret James "Bo" Gritz, who is building a survivalist community in central Idaho, has engaged in activities that have closely paralleled those of the militia movement. He has traveled the country conducting a weapons and survival training course he calls SPIKE -- Specially Prepared Individuals for Key Events -- and has called for the execution as traitors of the "tyrants" responsible for the government's actions in the Randy Weaver standoff in northern Idaho and the Branch Davidian conflagration at Waco.

Recently, Gritz deplored the April 19 Oklahoma City bombing yet praised its technique. At a speech in Dallas, Texas, he labeled the blast a "Rembrandt," and said he considered it a "masterpiece of science and art put together."

A radio station in Charlevoix, Michigan, alarmed by Gritz's remarks, decided to suspend indefinitely broadcasts of Gritz's daily shortwave program, "Freedom Calls." After the station was inundated with calls protesting the move, however, "Freedom Calls" returned to the air two days later.

ILLINOIS

A Lombard-based organization called the Illinois Minutemen describes itself as a militia and has echoed the anti-government themes of militia groups elsewhere. The group, formed in mid-January by Glen Ellyn resident Mike Bafundo, now claims members from Cook, DuPage, Will, Kane and McHenry Counties. It meets twice a month at a Lombard bowling alley. Members do not wear uniforms or carry weapons, but they are reportedly considering a paramilitary training session with the Michigan Militia.

Another organization, the Southern Illinois Patriots League, held a rally on April 22 in Carbondale to protest the presentation by Governor James Edgar of the state's highest honor, the Order of Lincoln, to gun control advocate James Brady. Signs at the rally, which drew 150 participants, assailed some of the militia movement's favorite demons: one described James Brady and his wife Sarah as "diabolical misfits," another equated agents of the U.S. Bureau of Alcohol, Tobacco & Firearms with Nazi stormtroopers. Protestors were also invited to wipe their feet on a United Nations flag. Organizers of the rally included Glad Hall, Scott Slinkard and Ken Potter.

INDIANA

Militias have become active across the state in such counties as St. Joseph's, Allen, Johnson, Marion, Ripley, Warrick and Dearborn. Many of the groups in these counties are also part of the larger Indiana Citizens Volunteer Militia, a state-wide umbrella organization that coordinates militia activities.

Influential militia propagandist Linda Thompson, of Indianapolis, operates a computer bulletin board for militia groups across the country. She has announced to prospective new members that her bulletin board was for "doers, not whiners or talkers." She explained that potential members had to be willing to provide the movement with substantial assistance, such as a training site, ammunition, skills training, food, medical care, or money.

Like many others in the militia movement, Thompson blamed the government for the Oklahoma City bombing. "I genuinely believe the government did this bombing," Thompson told *The Boston Globe*. "I mean who's got a track record of killing children?"

On May 12, 1995, Thompson was arrested by Marion County police and charged with resisting arrest and disorderly conduct; the case is pending. According to officials, Thompson carried a concealed weapon into the county prosecutor's office and refused to show her permit for the gun.

Elsewhere in Indiana, the Boonville-based North American Volunteer Militia, directed by Joe Holland, enjoys a considerable following. Holland, who describes himself as a patriotic "freedom fighter," reportedly is under investigation by federal authorities for bank fraud, bankruptcy fraud, securities fraud and tax evasion.

The North American Volunteer Militia is active outside Indiana, particularly in Montana. In April 1995, Holland urged followers to travel to Ravalli County, Montana, to show their support for militia members there who had engaged in an armed confrontation with police (see **Montana**). Ravalli County law enforcement officials expressed concern that Holland was attempting to provoke a violent encounter. He surrendered to Indiana authorities after being charged in Montana with criminal syndicalism.

In Elberfield, a militia group called the Tri-County Carbineers, led by truck driver Jimmy Funkhouser, has been organized. To qualify for membership, candidates are required to own an assault rifle and 100 rounds of ammunition.

James Heath, a member of the Indianapolis Police Department, heads the Johnson County Militia, located just south of Indianapolis. Like others in the movement, members of the organization meet to express their deep distrust of federal lawmakers and share their fears of an impending "one-world government."

In early May 1995, speaking before a Greenwood-based group called the Sovereign Patriots, Heath derisively referred to Indianapolis Mayor Stephen Goldsmith as "Goldstein." Noting that the mayor's home address is unlisted, Heath also asserted that Goldsmith had something to hide. In a subsequent apology, Heath employed an anti-Semitic stereotype to argue that his slur was really a compliment. Several days later, Indianapolis Police Department officials disciplined Heath for his remarks by demoting him from sergeant to patrolman.

IOWA

Militia groups have formed in Iowa, but there is little evidence of their size and influence.

Paul Stauffer, an Air Force veteran living in Cedar Rapids and the self-described "national contact" for the Iowa Militia, has claimed that his organization operates in 35 counties; he has not offered specific membership figures. He contends that Iowa militia members are concerned with "intelligence" gathering activities, and that the group maintains contacts with militia leaders across the country.

A May 3, 1995, Cedar Rapids meeting organized by Stauffer found many among the audience of 60 parroting the fevered anti-government conspiracy theories of the militia movement.

KANSAS

C. D. Olsen of Lyndon leads the Kansas Citizens Militia (also known as the Kansas Unorganized Citizens Militia), the chief such group in the state. Olsen took over recently from Morris E. Wilson, previously the group's commander and now its "Executive Officer." Wilson claims militia units are organizing in Wichita, Junction City and Topeka, where at one meeting he played host to Michigan militia proponent Mark Koernke.

Several individuals, including Wilson, were recently involved in a brush with the law. On April 17, 1995, the Sheriff's Department in Osage County responded to a local farmer's complaint of prowlers on his land. Officers found four heavily armed men, all members of the Kansas Citizens Militia, parked on the farmer's property. The men claimed they had been informed of a possible burglary and had come to offer their assistance. After a search of their vehicles by the officers, Wilson and another man were arrested on charges of carrying concealed weapons; a third man was arrested for possessing a gun with a defaced serial number. While the charges against the other two men have been dismissed, Wilson's case is still pending.

Some militia figures in Kansas, like their counterparts elsewhere, have been quick to blame government officials for the April 19 bombing of the Oklahoma City Federal Building. Brad Glover, who calls himself Brigadier General of the Kansas Militia and commander of the 1st Kansas Mechanized Militia, has said, "My personal opinion is that it's a [government] set-up. There are just too many coincidences."

KENTUCKY

There are two main militia groups in Kentucky, both of which are newly formed and relatively small.

Danny and Diane Snellon are, respectively, the coordinator and the secretary/treasurer of the Kentucky Citizens Militia. Formed in Fall 1994, the group does not "have uniform or gun requirements," says Danny Snellon. Recent meetings have taken place at the main branch of the Lexington Public Library and at a sportsman's shop in Paris, northeast of Lexington. Attendance at these meetings has ranged from 10 to 20 people.

In Boone County, in northern Kentucky, a militia called the Defenders of Liberty is believed to have a core group of 30 to 40 individuals. Unlike the Kentucky Citizens Militia, the Defenders of Liberty do wear uniforms and undergo paramilitary training. Since the bombing in Oklahoma City, militia members in Kentucky appear to be lying low to avoid the scrutiny of law enforcement officials.

LOUISIANA

In Lafayette, the Militia of Louisiana has formed under the leadership of Thomas Parker. It has engaged in paramilitary and urban combat training, and is thought to number about 55 members -- some of whom have had affiliations with so-called constitutionalist groups.

Early in 1995, Michigan-based organizer and ideologue Mark Koernke addressed the militia.

MICHIGAN

The Northern Michigan Regional Militia, also known as the Michigan Militia, has attracted national attention in the wake of the April 19 bombing of the Federal Building in Oklahoma City.

Group leaders have said that Terry Nichols, a suspect in the Oklahoma blast, attended several of its meetings last year and that on at least one occasion he brought another suspect, Timothy McVeigh. Additionally, federal agents searching the Decker, Michigan farm of Terry Nichols's brother James -- who has been considered a material witness in the bombing case -- uncovered a number of documents relating to the Michigan Militia.

Not surprisingly, leaders of the Michigan Militia have disagreed with federal officials about the identity of the bomber, and have offered a theory of their own. A week after the blast, Michigan Militia commander Norman Olson, along with his chief of staff, Ray Southwell, announced that they believed the Japanese had bombed the Oklahoma building. The motive: retaliation for the recent nerve gas attack on the Tokyo subways, which Olson and Southwell said was engineered by the American government.

When their view was repudiated by a majority of the Militia's board, the two men immediately resigned from their positions. Olson assured the press that, nevertheless, "the Michigan Militia is as strong as ever," and that he and Southwell will remain members of the organization.

Despite negative publicity since the Oklahoma City bombing, the militia movement in Michigan has enjoyed some continued success in its recruitment.

Mark from Michigan

Minutes after the bombing in Oklahoma, outspoken activist Mark Koernke (a.k.a. "Mark from Michigan"), whose militant "how-to" videotapes have made him a prime recruiter for the movement, faxed a cryptic, handwritten message about the bombing to U.S. Rep. Steve Stockman, a freshman Republican from Texas. "First update," the fax read in part. "Seven to 10 floors only. Military people on the scene." Koernke insisted he had no prior knowledge of the bombing, and that he had only sent the fax hoping Stockman would "get cameras in place as soon as possible."

Koernke, of Dexter, Michigan, is employed as a janitor at the University of Michigan. He has been identified as spokesman of the Michigan Militia-at-Large, characterized as a more radical offshoot of the Michigan Militia. Koernke has promoted conspiracy theories to audiences around the country, including several in the Pacific Northwest while on a speaking tour sponsored by the Militia of Montana.

Until recently, Koernke also hosted "The Intelligence Report," a shortwave radio program that aired five times a week. Days after the Oklahoma bombing, Koernke told listeners that federal agents had outfitted suspect Timothy McVeigh in a bright orange jumpsuit in order to make him an easy assassination target.

Koernke's program was subsequently pulled from the airwaves by WWCR, the Nashville, Tennessee, shortwave radio station that had been broadcasting his daily diatribes. "We've got to get the gasoline off the fires," insisted the manager of the station, which reaches 2.7 million listeners in the United States and a number of foreign countries.

MINNESOTA

There are several small militia groups sprinkled across Minnesota. These include the Arrowhead Regional Militia in Duluth, the St. Cloud-based Metro Militia and the Red Pine Regional Militia, located in the Minneapolis area.

MISSISSIPPI

Drew Rayner of Ocean Springs has spearheaded recruitment for the Mississippi Militia: on April 28, 1995, he appeared before a group of 65 to 75 near Laurel. Literature available at the meeting included the Mississippi Militia "Information Booklet," which contained a 20-page manual on the formation of a militia, *The Revolutionary Spirit*, a Laurel-based tabloid that excerpted material from Liberty Lobby's *The Spotlight*, and *Operation Vampire Killer 2000*, a manual by former Phoenix, Arizona, policeman Jack McLamb that aims to convince law enforcement officials of a one-world government conspiracy.

MISSOURI

The Buckner-based Missouri Patriots are a recent addition to Missouri's militia movement. Its newsletter, *The Militia Minute*, rails against the federal government, "international bankers" and the media. While its size is not known, leaders of the militia are also members of the Kansas City-based White Knights of the Ku Klux Klan. In addition, a promotional item for the White Knights in their publication, *The White Beret*, features the slogan: "Join the White Militia."

Statewide, militias have been established in an estimated 14 counties and are recruiting actively, with some continued growth since the bombing of the Oklahoma City Federal Building. Although they maintain separate identities, several units in the eastern section of Missouri appear to operate under the leadership of the St. Louis-based 1st Missouri Volunteers Militia, a group established in January 1995 and led by John Moore. Militia groups in the western part of the state are directed by the Missouri 51st Militia, of Kansas City. The Springfield-area 24th Missouri Militia is the largest and most influential such group in the southeastern part of the state.

In March, the 1st Missouri Volunteers assembled a gathering of six state militia groups for a "Missouri Regional Conference." At the event, speakers, including State Senator David Klarich, declared that unlike their counterparts in other states, the Missouri Militia does not promote an agenda of bigotry. However, literature offered at the meeting included extracts from hate publications like the Liberty Lobby's *The Spotlight*, *The Truth at Last*, published by anti-Jewish agitator Ed Fields of Georgia, and *The Jubilee*, a journal that espouses the anti-Semitic pseudo-theology of the "Identity Church" movement.

MONTANA

Militia groups in Montana, whose armed members have been embroiled in hostile confrontations with police, are among the most volatile in the country.

The Militia of Montana (M.O.M.), one of the movement's most visible and extreme groups, has continued to spread its message around Montana and the nation from its headquarters in the small town of Noxon.

M.O.M. was founded by John Trochmann -- who has been a speaker at a major conclave of the white supremacist Aryan Nations -- along with his brother David and David's son Randy. In public, John Trochmann has tried to play down his Aryan Nations experience. In a recent press release, however, Aryan Nations leader Richard Butler announced that

Trochmann had traveled to the group's Idaho compound "quite often ... for Bible study," and that he "even helped us write out a set of rules for our code of conduct on church grounds."

In December 1994, M.O.M. sponsored a five-stop speaking-tour in Washington and Montana with Mark Koernke ("Mark from Michigan"), whose videos and speeches are key recruiting tools for the militia movement. John Trochmann and Bob Fletcher, another M.O.M. official, were also in attendance to answer questions from the audience. One month later, Fletcher traveled to Colorado to reach out to sympathizers in that state. He warned an audience of about 75 that a bloody battle was in store, and instructed them to be prepared. "You better damn well learn how to use a gun if you don't know how to use one now," he said. "If you don't have bullets now, you better flat get them."

M.O.M. Propaganda

An item in an issue of M.O.M.'s monthly newsletter, *Taking Aim*, printed several weeks before the bombing of the Oklahoma City Federal Building, underscores the centrality of the date, April 19, to the group's ideology. The newsletter noted April 19, 1995, as the upcoming execution date ("UNLESS WE ACT NOW!!!" it read) for convicted murderer and white supremacist Richard Wayne Snell. The item recounted that April 19 was also the day on which "Lexington burned.... Warsaw burned.... The feds attempted to raid Randy Weaver.... The Branch Davidians burned." By citing Lexington and Warsaw, M.O.M. seems to compare today's U.S. Government to colonial America's British rulers and, outrageously, to the genocidal Nazi regime, while simultaneously agitating on behalf of a racist and anti-Semitic killer.

As is the case with many militia groups around the country, M.O.M. leaders are obsessed with the notion that United Nations troops, aided by Soviet-made weapons, are planning a takeover of the United States. An "Intelligence Report" recently distributed by M.O.M. purports to provide followers with detailed documentation of this conspiracy. A National Guard base in Biloxi, Mississippi, is said to be filled with trucks "of Soviet origin," whose "fuel tanks have been topped off and apparently look ready to roll." The report adds: "These trucks are being marked at this time United Nations."

The Militia of Montana distributes a catalog that offers for sale numerous videotapes, audiotapes and publications on a variety of conspiracy themes. The catalog also offers a comprehensive bomb-making and warfare manual, *The Road Back*, which was produced by the anti-Semitic Liberty Lobby's publishing arm, Noontide Press. M.O.M. describes the book thus: "A plan for the restoration of freedom when our country has been taken over by its enemies. 20 chapters on organization, recruiting, intelligence, communications, supply, weapons, sabotage, medicine, warfare, and training, etc."

Brush With the Law

In recent months, authorities in Musselshell County have learned that several M.O.M. members, including John Trochmann, have cooperated with so-called Freemen. Followers of this anti-tax movement have defied local and federal law and have operated their own common law court system, reflecting their view of the Constitution.

In early March 1995, rancher William Stanton, a follower of the Freemen movement, was sentenced by a judge in Roundup, Montana, to a 10-year prison term for criminal syndicalism -- the advocacy of crime, violence, or property damage for political ends -- related to Freemen activities. On the heels of Stanton's sentencing, and in an apparent show of support for the Freemen, John Trochmann and six of his followers embarked on a 500-mile journey to Roundup, armed with an arsenal of weapons: "I believe the men were here to attempt to capture or kill us," the Musselshell County Attorney told a local paper.

The seven men were arrested on charges of carrying concealed weapons and felony intimidation. A search of their vehicle revealed a collection of handguns and rifles, communications equipment, thousands of rounds of ammunition, quantities of gold and silver, and $80,000 in cash.

Charges against all but two of the men -- Frank Ellena of Billings, and Dale Jacobi of Thompson Falls -- were dropped in late March after a state prosecutor concluded that there was insufficient evidence to support felony charges.

North American Volunteer Militia

The Boonville, Indiana-based North American Volunteer Militia (NAVM), directed by Joe Holland (see **Indiana**), has an active outpost in Montana. The group's attitude toward law enforcement officials may be discerned from a letter by Holland to the Montana Revenue Department: "How many of your agents will be sent home in body bags before you hear the pleas of the people?" asked Holland in his letter. "Proceed at your own peril!"

In early April 1995, an armed encounter between militia members and Ravalli County officials ended with the arrest of one militiaman. Drawing a parallel between this situation and the confrontations involving the Branch Davidians at Waco and Randy Weaver at Ruby Ridge in Idaho, Joe Holland urged followers to travel to Ravalli County in a show of support. "In my opinion," Holland wrote in an "alert" message distributed by fax, "it looks as though another Waco or Ruby Ridge may be in the planning stages in Ravalli County, Montana. There has been a build-up of police over the last few days." In May, Holland and two Montana men were charged with criminal syndicalism; Holland has surrendered to Indiana authorities.

NAVM's Montana coordinator is Calvin Greenup of Darby, a dump operator and elk rancher. In early May 1995, Greenup was charged with plotting to kidnap, try in a common law court, and hang local government officials. The charges, which were also filed against Joe Holland and two of his cohorts, followed an undercover investigation conducted by the state Justice Department. In addition, Greenup has been wanted by officials for tax evasion, obstruction of justice, and running an unlicensed game farm. For several weeks, though, he avoided arrest by hiding out on his large farm and threatening to shoot any law officer who approaches. In early June, Greenup turned himself in to local authorities, made bail, and was released. Greenup's son, Scott, who was sought by police for assaulting an officer and jumping bail, also surrendered.

Before ending his holdout, Greenup said his extreme stance was his only guarantee that "the crooked politicians" will take notice. "Do the political officials want this state to blow or do they want to get it back and hear our pleas?" he asked.

NEBRASKA

An Omaha-based militia has been organizing since January 1995. The group, which has used several names, including the Constitutional Reinstatement Group and the Nebraska Militia, meets bi-weekly; at these meetings, the notorious anti-Jewish screed *The Protocols of the Elders of Zion* has been offered for sale.

The group does not appear to engage in paramilitary training.

NEW HAMPSHIRE

The Hillsborough Troop of Dragoons, led by Fitzhugh MacCrae, has recently emerged as an active militia in New Hampshire. MacCrae told *The Boston Globe* that his group comprises 63 members, of whom two-thirds are allegedly combat veterans. While he emphasizes the group's benign and civic activities, he also boasts, "We're probably better armed than the Army."

Elsewhere, the White Mountain Militia operates in Cornish under the leadership of N. Scott Stevens, who describes himself as director of the militia's "Information Services." Stevens hosted a May 14, 1995, rally in the Cornish town hall for militia members, extreme anti-gun control groups, and others hostile to the federal government.

Ed Brown, head of the Plainsfield-based Constitution Defense Militia (see *Armed & Dangerous*), has claimed to operate groups in seven states, but his organization has not engaged in any publicly noted activity in recent months. According to *The Boston Globe*, shortly after the Oklahoma City bombing, Brown said, "We think it's an inside job.... These criminals within the U.S. Government want to make us look bad."

NEW MEXICO

Militias in New Mexico operate in counties around Albuquerque and Santa Fe and in the northwestern area of the state. On October 22, 1994, six militia organizations from these regions met in Raton in an unsuccessful attempt to form a combined New Mexico militia. More recently, Governor Gary Johnson was criticized for meeting with militia representatives on April 28, 1995, although he claimed that he met with them in order to ensure that they remain non-violent.

A Farmington militia is known to promote neo-Nazi and white supremacist sentiments.

The Free American

At the start of 1995, the state's leading pro-militia voice, *The Free American*, added anti-Semitism to its advocacy of armed preparedness. In its edition marked "January 1994" (the date was clearly erroneous since the issue reported recent events), the Tijeras-based monthly newspaper, published by Clayton R. Douglas, included a coupon stating: "Know Someone Who Doesn't Believe in Conspiracies? Send them a copy of the Protocols of the Elders of Zion. The blueprint used for the New World Order. Only $15.00."

Douglas, though he is not part of a militia, echoed many militia leaders around the country when he speculated after the April 19 Oklahoma City bombing that "factions within our government" may have engineered the deadly explosion.

NEW YORK

In recent months, several militias have surfaced in New York. A number of these groups are clustered in the region of south central New York along the New York-Pennsylvania line. While some of the organizing in this area remains inchoate, established militias include the Citizens Militia, Chemung Division, founded in Chemung County in November 1994 by Jerry Loper, a self-employed excavator and landscaper. Loper's group, which engages in paramilitary training, receives literature from the Militia of Montana and militia groups in Michigan, providing further confirmation that groups in those two states serve as important propaganda sources for militias around the country.

Militias have also organized in nearby Tioga, Steuben, Schuyler, Chenango, Cortland and Broome Counties. In Chenango County, militiaman Francis Catlin, who uses the code name "Moonshiner," has said that outrage over the Waco conflagration fueled the militia movement in upstate New York. "We figure this country is in real bad shape," he has commented, adding that "Jewish people" are responsible for the financial difficulties faced by grain farmers.

Near New York City, militias were formed in November 1994 in Dutchess and Orange Counties. The Orange County Militia, which has more recently been known as the Committee of Correspondence, has distributed literature incorporating conspiracy theories from political extremist Lyndon LaRouche. Founder Walter Reddy, while reportedly distancing himself from the group, has also expressed the suspicion that the federal government was involved in the Oklahoma City bombing. Reddy stated, "It was CIA-orchestrated, from the information I have."

NORTH CAROLINA

The Alamance Minutemen is a small and secretive militia group whose communications appear to be conducted largely through the "Spirit of '76" computer bulletin board, operated by the group's leader, Jeff Rudd of Alamance County.

Another organization, Citizens for the Reinstatement of Constitutional Government, meets in the towns of Monroe and Matthews, both near Charlotte. While it once promoted militia-style themes, it now claims to engage only in Bible study. Indications are that the group's one-time leader, Al Esposito (see *Armed & Dangerous*), may no longer be active in that role.

OHIO

The first few months of 1995 were marked by the widespread organizing throughout the state of the "Ohio Unorganized Militia", -- loose-knit groups that conduct various paramilitary exercises. However, low attendance at meetings since the Oklahoma City bombing suggests that the militia movement in Ohio may have lost some strength.

The Ohio Unorganized Militia has justified its activity by citing both the U.S. Constitution's Second Amendment and a provision of state law: the Ohio Revised Code provides for an "unorganized militia ... of all able-bodied citizens of the state who are more than 17 years of age and not more than 67 years of age." The group has been active in Franklin, Brown, Clermont, Hamilton, Stark, Coshocton, Columbiana, Williams, Lucas, Medina and Montgomery Counties.

Despite the claimed legal basis for its existence, the militia has used highly inflammatory language. Rod Scott, a captain in the Brown County group, has stated: "Any armed agent of the United States Government who comes to my home or any militia member's home to take a gun, to steal my property, to violate my freedom, will be met with deadly force."

OKLAHOMA

To date the most visible militia in Oklahoma, the Oklahoma Citizens Militia operates in Eufaula, southeast of Tulsa, under the leadership of denture maker Ross Hullett. Hullett has condemned the April 1995 Oklahoma City bombing, stating, "Christians don't do this to people." But Oklahoma militia members also share the characteristic, paradoxical "patriotism" of the broader movement. "I would lay down my life for my country," member John Harrell told *The Wall Street Journal*, "but I wouldn't spit on a congressman if he were burning to death."

OREGON

Oregon's militia movement, which began to emerge in late 1994, appears still to be in its infancy. Touting the familiar theme that "a Civilian Militia is a final line of defense against all enemies both foreign and domestic," the Central Oregon Regional Militia has operated modest units in the town of Prineville and neighboring Deschutes County.

The Salem-based Northwest Oregon Regional Militia was disbanded by its founder, insurance salesman Mike Cross, following the Oklahoma City bombing. Cross said he feared "persecution" by the federal government. He stated, "If they would blow up one of their own buildings, who knows what they could do to militias."

PENNSYLVANIA

In recent months, sporadic militia organizing has been conducted throughout eastern and southeastern Pennsylvania -- including Dauphin, Delaware, Bucks, Berks, Montgomery and Chester Counties. Some of this activity may have been spurred in part by a November 20, 1994, recruiting speech in suburban Philadelphia by Samuel Sherwood, head of the Idaho-based United States Militia Association. Sherwood subsequently appeared on local talk radio programs.

Similarly, in Crawford County in the western part of the state, a February 4, 1995, appearance by Michigan militia proponent and video agitator Mark Koernke attracted various militia sympathizers and groups. The Keystone Militia has a base in adjacent Warren County.

Militias have formed in Potter and Elk Counties in north central Pennsylvania. Ken Haupricht of the Elk County group has acknowledged that two members also belong to the Ku Klux Klan. The Potter County-based Bucktail Militia (named after Civil War sharpshooters who trained in the area) claims "brigades" in neighboring counties.

SOUTH CAROLINA

In the early months of 1995, the South Carolina Civilian Militia began actively recruiting in the Greenville-Spartanburg area, seeking, in particular, pilots and those with military skills. The militia's self-proclaimed leader, Ian Roebuck, a preacher, claims 80 members in several counties. Roebuck and "information officer" R. C. Davenport disclaim any ties with white supremacist organizations, but advance the notion, standard in the militia movement, that the United States is on course to succumb to a United Nations-led tyranny.

SOUTH DAKOTA

The Rapid City-based Tri-State Militia is described by its leader Rodger Chant as an umbrella organization for militia groups across the state. Chant also claims that the group maintains ties with 35 other militias across the country, including the Michigan Militia.

TENNESSEE

George Etter of Morristown leads the pro-militia Christian Civil Liberties Association. He publishes a newsletter, *The Militia News*, which he claims circulates to "millions" of militia members, and reportedly distributes materials that explain how to make automatic weapons and explosives. Etter, who has a felony record, is himself prohibited from handling firearms. Like many militiamen around the country, Etter reportedly claimed the federal government engineered the Oklahoma City bombing to discredit the militia movement.

Additionally, a militia has been reported to be operating near Memphis.

TEXAS

An active militia presence was established in Texas with the founding of the Texas Constitutional Militia in 1994. The organization's manual includes language identical to the Michigan Militia's literature, with a pledge to "stand against tyranny, globalism, moral relativism, humanism, and the New World Order threatening to undermine our form of government and these United States of America."

Since Fall 1994, the Texas Constitutional Militia has organized widely, with groups active in the San Antonio, Dallas, Houston and Beaumont areas. The militia's "commanding officers" include, in Collin County, welder John A. Turner of Plano, and in Dallas County, Russell Smith, a glass artist. A separate group, the Red River Militia (or Red River Militia Guard), has organized in east Texas, and is believed to be active in Gilmore, Marshall, DeKalb and Texarkana.

On November 12, 1994, the Texas Constitutional Militia convened an "Alamo Rally" in San Antonio "to honor the Alamo heroes ... and to petition the government for redress of grievances." The rally was advertised in the anti-Semitic Liberty Lobby's tabloid, *The Spotlight*. Anti-Semitic and racist materials produced by such groups as Liberty Lobby and William Pierce's neo-Nazi National Alliance were distributed at the rally.

The Dallas-area militia, known as the North Texas Constitutional Militia and based in suburban Richardson, has engaged in paramilitary and survival exercises near the Texas-Oklahoma border. These exercises have included the S.T.A.R. (Strategic Training for Assistance and Readiness) program. According to its materials, S.T.A.R. is conducted by a "cadre" of "former Rangers, Seals, Green Berets, and Martial Arts Experts." On April 19, 1995, the day of the Oklahoma City bombing, and two years to the day after the Branch Davidian compound at Waco erupted in flames, the North Texas Constitutional Militia erected near the site of the compound a stone tablet in memory of those killed in the blaze.

Several militias are also believed to be active in Kerrville, northwest of San Antonio, among them the U.S. Civil Militia, founded by Betty Schier and her son Carl. In early May, the pair reportedly turned over to federal authorities a variety of explosives, including TNT, nitroglycerine and a homemade material incorporating ammonium nitrate and paraffin. Betty Schier, 66, a retired gun dealer, said she and her 35-year-old son "don't condone" the Oklahoma City bombing, and claimed they only had the explosives for purposes of producing a video called "The Mad Bomber, which the son has been trying to sell through a survivalist magazine. The authorities questioned the pair and took possession of the explosives after Carl Schier alerted the FBI that an acquaintance had asked him for information on making a car bomb. No charges were filed against the Schiers.

Gritz Visits Texas

On February 18, 1995, Bo Gritz (see **Idaho**) brought his SPIKE (Specially Prepared Individuals for Key Events) weapons and survival training workshop to Dallas. Several timeworn anti-Semitic screeds were sold at the seminar, including *The Protocols of the Elders of Zion*, *Jewish Ritual Murder*, by mid-century British anti-Semite Arnold Leese, *The Jews and Their Lies*, by Martin Luther, and *The Truth About the Protocols*, by Gerald Winrod, the Kansas-based Jew-hating demagogue of the 1930's and 40's known as the "Jayhawk Nazi."

The local contact person for Gritz's visit was Tom Baker, who runs Baker's Outpost, a "Survival & Preparedness Center" in nearby Plano. Along with survival and "defense" supplies, Baker sells conspiracy literature, including Peter Kershar's *Economic Solutions – The Incredible Story of: How You and America are Being Bankrupt & What You Can Do to Avoid the Wipeout*, which advances the anti-Semitic canard that the Federal Reserve is run by eight Jewish families. The book carries an endorsement by Bo Gritz.

Gritz returned to Dallas the following month for "Preparedness Expo '95," where he shared the podium with, among others, the Michigan-based militia figure Mark Koernke. On a more recent stop in Dallas, shortly after the Oklahoma City bombing, Gritz deplored the tragedy, but went on to describe the bombing as "a Rembrandt, a masterpiece of science and art."

Congressman Steve Stockman

In an official letter dated March 22, 1995, Congressman Steve Stockman wrote to Attorney General Janet Reno claiming that "reliable sources" had informed him that several federal agencies were preparing a paramilitary style attack on the militias, whom he described as "Americans who pose no risk to others." Mr. Stockman even specified the dates and hour of the alleged impending attack: March 25 or 26 at 4:00 a.m.

Warning that the assault would "run the risk of an irreparable breach between the federal government and the public," Congressman Stockman asked for detailed information about the military arrangements for the assault. The purported plan of attack, it turned out, was a fiction.

Stockman also wrote an article which appeared in the June issue of *Guns and Ammo* magazine, claiming that the raid on the Branch Davidian compound in Waco was conducted by the Clinton Administration "to prove the need for a ban on so-called assault weapons." Earlier, Stockman appeared as a guest on the radio program of Liberty Lobby, the leading anti-Semitic propaganda group in the nation; he has since said he was unaware of Liberty Lobby's anti-Semitism. ADL has recently conveyed its concerns over these matters in a meeting with Congressman Stockman.

UTAH

News accounts citing law enforcement sources report that at least seven militia units are operating in Utah. One group, the Box Elder County-based Unorganized State Militia of Utah, was disbanded this spring by leader Doug Christiansen, who said he disapproved of the growing militancy of the movement.

Johnny Bangerter, the leader of a St. George-based neo-Nazi Skinhead group called the Army of Israel, claims his organization has ties to militias in Montana, Texas and Utah. He and other Skinheads traveled to northern Idaho in 1992 to express support for white supremacist Randy Weaver during his standoff with federal law enforcement agents -- an event that later contributed to the genesis of the militia movement. Bangerter has asserted that he wrote a note delivered to Weaver during the episode by influential far-right figure Bo Gritz (see **Idaho**), who assisted in Weaver's surrender to authorities.

VIRGINIA

James Roy Mullins, a founding member of the militia-like Blue Ridge Hunt Club (see *Armed & Dangerous*), pled guilty to federal firearm offenses on February 27, 1995. On May 15, he was sentenced to a five-year prison term. The trial of Warren Darrell Stump II, another Hunt Club member accused of firearm offenses, was delayed on April 26, 1995, when a federal judge determined that the Oklahoma City bombing might affect jury deliberations. Two additional club members await trial.

In Bedford County, pastor and gun dealer William Waters claims to lead the 1st Virginia Freeborn Civilian Militia. Douglas Jeffreys, a state highway department worker from Hanover County, says that he has been touring the state working to form the Virginia Citizens Militia, an organization of loosely affiliated groups.

WASHINGTON

Washington has been the site of frequent recruitment and organizing drives by militia groups based outside the state. Militias have emerged throughout the state, particularly in the counties surrounding Seattle, in the Spokane area, and in Clark and Cowlitz Counties in southwestern Washington.

In central Washington, leaders of the Lake Chelan Citizens Militia have been active in the Populist Party of Washington State and in the 1992 presidential campaign of far-right figure Bo Gritz (see **Idaho**), who was the Populist Party nominee.

In Clark County, along the Oregon border, David Darby leads a branch of the Idaho-based United States Militia Association. The Association's prime mover, Samuel Sherwood, has spoken to Darby's group.

The Militia of Montana (M.O.M.) has also recruited extensively in Washington. M.O.M. sponsored a tour of the Northwest by Michigan's Mark Koernke, during which he visited Spokane on December 2, 1994. In February 1995, M.O.M.'s Bob Fletcher recruited in Snohomish County, north of Seattle.

M.O.M. has continued its outreach efforts, particularly around Spokane, in recent months.

WEST VIRGINIA

The leading militia figure in West Virginia is Ray Looker, whose group, the Mountaineer Militia, holds periodic meetings. Echoing the oft-repeated militia story that mysterious unmarked black helicopters are surveilling leaders of the movement around the country, Looker recently claimed that such copters have circled over his home in the Clarksburg area. He has also asserted that the West Virginia National Guard has been denied ammunition by the federal government.

WISCONSIN

The Militia of Wisconsin (also known as Freeman Militia of Wisconsin) is an amalgam of three small organizations -- one under the leadership of Don Treloar in Waupaca County, one in Vernon County under Will Holzli, and a third near Slinger. Unified around the pro-gun, anti-government, conspiracy-driven philosophies that characterize other militia groups, they meet regularly and claim to engage in weapons training and maneuvers. Treloar, speaking of the group's regular field exercises, says "we are preparing men for battle." Holzli, who called media within hours of the Oklahoma City bombing to say that he thought it might be part of a government plot, has boasted of 10,000 members statewide, a plainly exaggerated claim.

Ernie Brusubardis III of Slinger has developed a 10-minute video to be shown to recruits. While the militia claims to be open to any man 18 or older, the video reportedly states that only "professing Christians" can become officers.

WYOMING

The Western United Militia (WUM), a small group based in Cheyenne, is led by Robert Becker, identified as "Col. Becker" in WUM materials. The group has advertised for recruits in a free shopper's weekly in Cheyenne, and a WUM flier was distributed at a Cheyenne gun show in May. Headed "Patriots Unite!", the handbill contends, in familiar militia fashion, that President Clinton, the United Nations and other global conspirators seek to establish a one-world government, and that -- presumably toward this end -- Soviet-built tanks are being transported to various U.S. locations. The flier, which makes the (certainly exaggerated) claim that WUM has "21 divisions in 17 Western States," instructs would-be members to enclose 20 dollars with their applications.

In Sweetwater County, in southwestern Wyoming, leaflets headed "Wyoming Militia" have surfaced, possibly indicating some nascent local activity. The materials cite several laws as justifying the militia's existence, but they also offer, for use in unsecured telephone communications, suggested code words for "enemy," "contraband," "weapons," and "making or using explosives." Recommended reading includes such titles as *The Ultimate Sniper* and *Can You Survive?* -- the latter work written by Robert B. DePugh, who served time in prison for firearms violations and other offenses related to activity with the Minutemen, a heavily armed, far-right group he founded in the 1960's. Other names that appear on the leaflets include "Sweetwater Citizen Emergency Response Group" and "Wyoming 'Unorganized' (Reserve) Militia, 4th Group."

Anti-Defamation League of B'nai B'rith

NATIONAL OFFICE
823 United Nations Plaza, New York, NY 10017 ....(212) 490-2525

WASHINGTON OFFICE
1100 Connecticut Avenue, N.W. (Suite 1020), Washington, D.C. 20036 ....(202) 452-8320

REGIONAL OFFICES

ALBUQUERQUE
P.O. Box 21639, Albuquerque, NM 87154 ....(505) 823-2712

ARIZONA
The First Interstate Tower, 3550 North Central Avenue (Suite 914),
Phoenix, AZ 85012 ....(602) 274-0991

ATLANTA (Southeast)
One Securities Centre, 3490 Piedmont Road N.E. (Suite 610), Atlanta, GA 30305 ....(404) 262-3470

BOSTON (New England)
126 High Street, 4th Floor, Boston, MA 02110 ....(617) 457-8800

CHICAGO (Greater Chicago/Wisconsin)
309 West Washington, (Suite 750), Chicago, IL 60606 ....(312) 782-5080

CLEVELAND (Northern Ohio)
505 Terminal Tower, Cleveland, OH 44113 ....(216) 579-9600

COLUMBUS (Ohio/Indiana/Kentucky)
42 East Gay St., (Suite 814), Columbus, OH 43215 ....(614) 621-0601

CONNECTICUT
419 Whalley Avenue, New Haven, CT 06511 ....(203) 787-4281

DALLAS (Northwest Texas/Oklahoma)
12800 Hillcrest Road (Suite 219), Dallas, TX 75230 ....(214) 960-0342

D.C. (D.C./MARYLAND)
1100 Connecticut Avenue, N.W. (Suite 1020), Washington, D.C. 20036 ....(202) 452-8310

DENVER (Mountain States)
300 South Dahlia Street (Suite 202), Denver, CO 80222 ....(303) 321-7177

DETROIT (Michigan)
4000 Town Center (Suite 420), Southfield, MI 48075-1405 ....(810) 355-3730

HOUSTON (Southwest)
4635 Southwest Freeway (Suite 400), Houston, TX 77027 ....(713) 627-3490

LOS ANGELES (Pacific Southwest)
10495 Santa Monica Boulevard, Los Angeles, CA 90025 ....(310) 446-8000

MIAMI (Florida)
150 SE Second Avenue (Suite 800), Miami, FL 33131 ....(305) 373-6306

NEW JERSEY
743 Northfield Avenue, West Orange, NJ 07052 ....(201) 669-9700

NEW ORLEANS (South Central)
925 Common Street (Suite 975), New Orleans, LA 70112 ....(504) 522-9534

NEW YORK CITY (New York City, Westchester, Rockland, Putnam and Long Island)
823 United Nations Plaza, New York, NY 10017 ....(212) 885-7970

NEW YORK STATE
125 Wolf Rd. (Suite 504), Albany, NY 12205 ....(518) 446-0038

OMAHA (Plains States)
333 South 132 Street, Omaha, NE 68154 ....(402) 333-1303

ORANGE COUNTY
2700 North Main Street (Suite 500), Santa Ana, CA 92701 ....(714) 973-4733

PALM BEACH COUNTY
The Commerce Center, 324 Datura Street (Suite 223),
West Palm Beach, FL 33401 ....(407) 832-7144

PHILADELPHIA (Eastern Pennsylvania/Delaware)
230 South Broad Street, 20th Floor, Philadelphia, PA 19102 ....(215) 735-4267

SAN DIEGO
7851 Mission Center Court (Suite 320), San Diego, CA 92108 ....(619) 293-3770

SAN FRANCISCO (Central Pacific)
720 Market Street (Suite 800), San Francisco, CA 94102-2501 ....(415) 981-3500

SEATTLE (Pacific Northwest)
Plaza 600 Building (Suite 720), 600 Stewart Street, Seattle, WA 98101 ....(206) 448-5349

ST. LOUIS (Missouri/Southern Illinois)
10926 Schuetz Road, St. Louis, MO 63146 ....(314) 432-6868

VIRGINIA/NORTH CAROLINA
6330 Newtown Rd. (Suite 326), Norfolk, VA 23502 ....(804) 455-9002

OVERSEAS OFFICES

JERUSALEM
30 King David Street, Jerusalem, Israel 94101 011-972-2-251-171

CANADA
Cooperative Association with the League for Human Rights of Canadian B'nai Brith
15 Hove Street (Suite 210), Downsview, Ontario, Canada, M3H 4Y8 ....(416) 633-6227

DEPARTMENT OF THE TREASURY

TREASURY NEWS

OFFICE OF PUBLIC AFFAIRS • 1500 PENNSYLVANIA AVENUE, N.W. • WASHINGTON, D.C. • 20220 • (202) 622-2960

FOR IMMEDIATE RELEASE
June 30, 1995

Contact: Michelle Smith
(202) 622-2960

RUBIN ANNOUNCES ADDITIONAL SUPPORT TO MEXICO

Treasury Secretary Robert Rubin announced on Friday that the United States will provide $2.5 billion to Mexico next week in the form of a medium-term swap through the Exchange Stabilization Fund (ESF).

"We are pleased with the strong progress Mexico has achieved in the last several months in addressing its financial crisis, with U.S. and international assistance. The provision of additional U.S. support at this time will promote advancement of this progress," Secretary Rubin said. "Mexico continues to meet its commitments under the stabilization program with strict monetary and fiscal policies, information disclosure, as well as regulatory and legislative reforms to promote privatization and foreign direct investment."

President Clinton, with the support of the bipartisan Congressional leadership, authorized the use of the ESF in order to protect American jobs, exports, security and borders threatened by Mexico's financial crisis.

With the July 5 disbursement, outstanding U.S. support for Mexico will total $12.5 billion. While noting Mexico's progress in restoring financial stability and regaining access to private sources of capital, Treasury reaffirmed that $7.5 billion in additional U.S. support could be made available to Mexico, in stages, and if needed, based on Mexico's continuing fulfillment of its commitments under the February 21 agreements.

"I am also pleased to learn that the IMF has concluded that Mexico is on the right track, and I welcome the Board's approval of additional drawings totaling $10.7 billion under the Fund's 1995-96 stand-by arrangement with Mexico," Secretary Rubin said.

The International Monetary Fund executive board met this morning and, based on its determination that Mexico continues to adhere to its economic program, announced that the IMF is releasing immediately a $2 billion dollar tranche under Mexico's stand-by arrangement. It also announced that the remaining $8.7 billion will be available in five installments of $1.73 billion starting in August 1995, and ending in August 1996, subject to continued satisfactory performance.

-30-

RR-406