THE REPUBLICAN RECONCILIATION PACKAGE

Mr. PELL. Mr. President, in a statement on the Senate floor last week, I indicated I would oppose any reconciliation instructions that hurt students. I said it was time that we took students out of harm's way.

Unfortunately, the reconciliation package we will consider on Wednesday does precisely the opposite. It harms students and their families. Three-quarters of the cuts in this package will be borne by students and their families.

For the first time, institutions of higher education would be charged a fee of 2 percent of the total amount of money borrowed by students, and parents of students, at each institution. While this fee could not be directly passed on to students, institutions of higher education would have to find the money somewhere. I greatly fear that the result could be a reduction of institutional student aid, or cutbacks in educational programs and student support services. Clearly, a change of this magnitude harms students and their families.

Increasing the interest rate on parents loans comes at a time when middle-income families are increasingly hard-pressed to make ends meet and help pay for their children's college education. This harms students and their families.

Decreasing the interest subsidy during the grace period from 6 to 4 months hits students when they have just finished their college education and are looking for a job. This harms students and their families.

Capping the direct loan program at 30 percent ensures that no new schools will enter the program and that students at these institutions will not be able to benefit from this program. It also removes an incentive to improve the regular guaranteed loan program. Advancements such as improved services to the student and better, more favorable interest rates could well disappear. This would harm students and their families.

The series of changes affecting lenders, holders, and guaranty agencies could well endanger the stability and viability of the current program. For instance, more lenders might leave the program. Thus, we could well have fewer lenders at a time when more are needed because of the proposed 30 percent cap on direct lending. This would jeopardize access to loans by all students, and would harm students and their families.

I intend to oppose these instructions. To make such draconian changes just to save money is not, in my opinion, prudent public policy. It would be far better to put a tax cut in harm's way and to spare students.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting a withdrawal and sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON THE NATIONAL EMERGENCY WITH ANGOLA—MESSAGE FROM THE PRESIDENT—PM 80

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

To the Congress of the United States:

I hereby report to the Congress on the developments since March 26, 1995, concerning the national emergency with respect to Angola that was declared in Executive Order No. 12865 of September 26, 1993. This report is submitted pursuant to section 401(c) of the National Emergencies Act, (50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c).

On September 26, 1993, I declared a national emergency with respect to Angola, invoking the authority, *inter alia,* of the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) and the United Nations Participation Act of 1945 (22 U.S.C. 287c). Consistent with United Nations Security Council Resolution 864, dated September 15, 1993, the order prohibited the sale or supply by United States persons or from the United States, or using U.S.-registered vessels or aircraft, of arms and related materiel of all types, including weapons and ammunition, military vehicles, equipment and spare parts, and petroleum and petroleum products to the territory of Angola other than through designated points of entry. The order also prohibited such sale or supply to the National Union for the Total Independence of Angola (''UNITA''). United States persons are prohibited from activities that promote or are calculated to promote such sales or supplies, or from attempted violations, or from evasion or avoidance or transactions that have the purpose of evasion or avoidance, of the stated prohibitions. The order authorized the Secretary of the Treasury, in consultation with the Secretary of State, to take such actions, including the promulgation of rules and regulations, as might be necessary to carry out the purposes of the order.

1. On December 10, 1993, the Treasury Department's Office of Foreign Assets Control (''FAC'') issued the UNITA (Angola) Sanctions Regulations (the ''Regulations'') (58 Fed. Reg. 64904) to implement the President's declaration of a national emergency and imposition of sanctions against Angola (UNITA). There have been no amendments to the Regulations since my report of March 27, 1995.

The Regulations prohibit the sale or supply by United States persons or from the United States, or using U.S.-registered vessels or aircraft, of arms and related materiel of all types, including weapons and ammunition, military vehicles, equipment and spare parts, and petroleum and petroleum products to UNITA or to the territory of Angola other than through designated points. United States persons are also prohibited from activities that promote or are calculated to promote such sales or supplies to UNITA or Angola, or from any transaction by any United States persons that evades or avoids or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in the Executive order. Also prohibited are transactions by United States persons, or involving the use of U.S.-registered vessels or aircraft, relating to transportation to Angola or UNITA of goods the exportation of which is prohibited.

The Government of Angola has designated the following points of entry as points in Angola to which the articles otherwise prohibited by the Regulations may be shipped: Airports: Luanda and Katumbela, Benguela Province; Ports: Luanda and Lobito, Benguela Province; and Namibe, Namibe Province; and Entry Points: Malongo, Cabinda Province. Although no specific license is required by the Department of the Treasury for shipments to these designated points of entry (unless the item is destined for UNITA), any such exports remain subject to the licensing requirements of the Departments of State and/or Commerce.

2. The FAC has worked closely with the U.S. financial community to assure a heightened awareness of the sanctions against UNITA—through the dissemination of publications, seminars, and notices to electronic bulletin boards. This educational effort has resulted in frequent calls from banks to assure that they are not routing funds in violation of these prohibitions. United States exporters have also been notified of the sanctions through a variety of media, including special fliers and computer bulletin board information initiated by FAC and posted through the Department of Commerce and the Government Printing Office. There have been no license applications under the program.

3. The expenses incurred by the Federal Government in the 6-month period from March 25, 1995, through September 25, 1995, that are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to Angola (UNITA) are reported to be