United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 104th CONGRESS, FIRST SESSION

Vol. 141 WASHINGTON, TUESDAY, OCTOBER 17, 1995 No. 160

Senate

(Legislative day of Tuesday, October 10, 1995)

The Senate met at 9:45 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

O God, our help in ages past, free us to be open to Your gift of hope for years to come. Particularly, we pray for a lively hopefulness for today. Grant that we may not allow our experience of You in the past to make us think You are predictable or limited in what You can do today. Help us not to become so familiar with Your customary, daily blessings that we lose a sense of expectancy for Your special interventions in the complexities and challenges of this day. Today we will expect great things from You and we will attempt great things for You. In our worries and cares, give us the joy of knowing that You are with us. In our Lord's burden-banishing name. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able Senator from Mississippi is recognized.

SCHEDULE

Mr. LOTT. Mr. President, there will be a period for morning business until the hour of 12:30 p.m. Following morning business, the Senate will stand in recess until the hour of 2:15 p.m. for the weekly policy conferences to meet.

At 2:15, the Senate will resume consideration of H.R. 927, the Cuba sanctions bill, with a cloture vote on the substitute amendment to occur today at a time to be determined by the majority leader after consultation with the minority leader.

In accordance with rule XXII, Senators have until 12:30 today to file second-degree amendments to the substitute amendment to H.R. 927. Also, for the information of all Members, a third cloture motion was filed on Friday. Therefore, if cloture is not invoked today, another cloture vote will occur on Wednesday. There will be no votes before the 5 o'clock hour today.

MORNING BUSINESS

Mr. LOTT. Mr. President, I believe we have time reserved now for morning business, and I would like to proceed now under morning business.

The PRESIDENT pro tempore. The Senator is correct. There will now be a period for morning business.

The Senator is recognized for 30 minutes.

A TIME FOR HISTORIC DECISIONS

Mr. LOTT. Mr. President, we have a long, hard few weeks ahead of us, probably the most crucial 6 or 7 weeks or so that we have had in many years—at least 12 or 15 years, in my own experience. Between now and Thanksgiving, every Member of this Congress will make decisions that can only be described as historic. The votes we cast in the weeks ahead on Medicare, Medicaid, welfare, and the whole legislative package known as the reconciliation bill, will determine the course of the American Republic for at least the next generation.

When I go home to Mississippi and I use this word ''reconciliation,'' constituents ask what that means. I explain that ''reconciliation'' is just a fancy word for saying this is the time when we keep our word, when we actually do what we said we were going to do in earlier legislation we passed this year—in the budget resolution, for instance.

So, this is an historic time. That is no exaggeration. This year's budget showdown is quite different from the budgetary experiences of past years. In the past, we have implemented budgets with so-called spending cuts that never seem to reduce spending and with revenue increases that got spent before the taxpayers ever saw what they had earned. This time I really believe it is going to be different. This time the reductions in spending are going to be real. They are going to be structural, that is, actually changing the nature of many programs to build into them fiscal safeguards.

As long as most of us have been in the Congress, everyone has talked a good game about entitlement reform. It never happened. But this time it is actually underway. This time around, the taxpayers are going to get the benefit of our holding down spending.

Radical as it may seem to much of official Washington, we are going to leave more money in the hands of those who actually earn it; the workers, the families, and investors of America. That is the goal we have been working toward all year. It has been our guiding light, our polar star during the tough contests over the budget, the balanced budget constitutional amendment, the appropriations bills, and entitlement reform. We have won some. We have lost a few. But all the while we have kept our focus on the greater goal of the financial independence of the American home.

In that way, we have laid the groundwork for reducing the size and scope of the Federal Government. We started the process of returning decisionmaking to the States and to the citizens of the States. What we are doing this year is only the beginning of the most profound power shift this country has seen since King George's colonial governors were sent packing back from where they came.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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That is what makes our work this autumn so historic. By themselves, tax cuts come and, sadly, tax cuts usually go. But once you downsize Government, once you break its appetite for the public's purse, once you take away its reason for devouring so much of the public's resources, then you have started a process that is almost impossible to reverse. You have rewritten the equation of power, if you can do that. You have changed the rules of the game, and that is what we want to do. That is what is happening in Congress this year, and that is what we will be focused on for the next 6 weeks or so.

The transfer of power is seldom a neat process. Our effort to return power to the American people through the reconciliation bill of 1995 is no exception. None of us will get exactly what we want in this legislation. There is bound to be something in there that makes each one of us swallow a little hard, perhaps something that hits too close to our own home States. So be it. Some losses will be well worth the overall result: Medicare preserved and strengthened, welfare finally tied to work and to personal responsibility, the tax burden eased for families with children, and the Federal Government locked on track toward a balanced budget within 7 years.

That last item is worth repeating. The bill will put the Federal Government on track to budgetary balance by the year 2002.

Through all my years in the House and Senate, I have heard the naysayers insist that it could not be done, it just could not be done, but now that we are actually doing it, they have changed their tune. Now they say it should not be done. It is too fast; it is too much; it is too soon; too little spending; too much tax relief. In short, just too much change.

And yet in today's Washington Post, a very interesting editorial column by James Glassman pointed out that even with these spending controls, Federal spending will increase by $2.6 trillion over the next 7 years, while revenues will increase by $3.3 trillion. Yet there are those in Washington who are screaming: Oh, you are cutting things so deeply. How do you reconcile an increase of several billion dollars over what we are now spending with the accusation that we are cutting spending? In fact, we are not really cutting. We are just controlling the rate of growth of Government. In fact, in my State, many people say: Why is it taking 7 years to balance the budget? You really should do it sooner.

But the important thing is that we are doing it. We are getting locked in on this path, and the Congressional Budget Office is going to certify that we are actually getting the job done.

When it comes to restraining the size and spending of Government, the citizens I hear from do not think there is such a thing as too much change. They do not understand why their elected officials cannot restrain the spending appetite and habit in this city. They do not understand why a handful of Senators abandoned their longstanding support for the balanced budget constitutional amendment and voted to kill that amendment earlier this year. And most of all, they do not understand why the President has made himself the defender and guardian of the status quo.

I do not know how to explain President Clinton's extraordinary record this year on the budget except to describe it as ''Bill's Peculiar Adventure.'' This is why; here is the script.

Earlier this year, the President submitted to Congress a budget that was so shamelessly out of step with the wishes of the public that the Senate voted 99 to zero to reject it. That vote, for the record, occurred on May 19. Thereafter, both the Senate and the House passed budget resolutions which the Congressional Budget Office said would result in a balanced budget in the fiscal year 2002. CBO's assurance was, of course, critical because, as President Clinton said himself, the ''Congressional Budget Office was normally more conservative than what was going to happen and closer to right than previous Presidents have been.''

Those were wise words then, and I believe they still are applicable today. For whatever reason, perhaps because he was left behind in an untenable position, President Clinton took the exceptional step of devising another budget, President Clinton's Budget II. This he submitted to Congress on June 13, contending that it would achieve balance in the fiscal year 2005. This second Clinton budget was an interesting effort and in some ways a definite improvement over the administration's first try.

CBO estimates that it would achieve savings of $120 billion in Medicare through the year 2002, and $295 billion through 2005. Note these savings were not described as cuts but as savings. CBO also estimated that Clinton II would reduce Federal revenues—that means allowing for tax cuts—by $97 billion over 7 years and $156 billion over 10 years. Those amounts were more than offset by President Clinton's proposed savings—not cuts—from Medicare. That did not mean, of course, that he was using Medicare money for tax breaks because, as we all know, the two items are entirely separate, as should be our decisions concerning them.

So far so good. But the CBO had some bad news, too. The President's second budget would result in deficits in excess of $200 billion in each of the next 10 years. Let us add that up. By my calculation, that comes to a 10-year deficit of more than $2 trillion. In fact, even that figure of $2 trillion underestimates the President's proposed deficit, for he included in revenues the surpluses that are expected in Social Security. He counted against his deficit spending the resources of the old age, survivors and disability insurance trust funds. Whether this was an ominous sign of long-range intentions or whatever else might have been involved, perhaps just sloppy bookkeeping at OMB, I leave for others to determine. But it is an area of concern for those who have looked at how these trust funds might be impacted.

In any case, the Congressional Budget Office, in which President Clinton had, quite accurately, told the Nation to repose its trust, scored President Clinton's second budget as a loser. But even so, the President has never renounced it. In fact, he still refers to it on occasion, though only in passing, and he still cultivates the illusion that he has offered Congress something to work with when really there is not much there except some broad principles.

I wonder how many of my colleagues on the other side of the aisle believe that Clinton II is something with which we can work. Perhaps we should find out. We will be casting scores of budget-related votes in the weeks ahead, and a vote on Clinton II might well be one of them. That would be a clear referendum on what the President has done and has not done with regard to spending, taxes, Medicare and the deficit. I suspect it would fail by a wide margin.

With all due respect to the Presidency and to President Clinton, the office he holds has a way of insulating its occupants from the realities the rest of us have to face. That is the most charitable explanation I can devise from some of the things that are being said from the White House. For example, in a conference call with hospital administrators last week, President Clinton opined that ''the budget cuts that Republicans are pushing in Congress are excessive and not necessary—not necessary—to balance the budget.''

How would he propose to do it? Obviously, he does not propose to do it. His inaction in that regard is as unacceptable as his proposal just last week that we move toward a grand compromise on spending and taxes by adopting the administration's economic projections. Never mind what he said in the past to a joint session of Congress about the accuracy of the Congressional Budget Office as opposed to the politically slanted estimates that come from OMB. All of a sudden, we are being told we have these big differences between what the Congress is trying to do and what the President wants to do, and the way to solve that problem is just to have different economic assumptions.

I have seen that happen before, unfortunately, in previous administrations and previous Congresses. It is not the way to do business.

We have not come this far in fulfilling our pledges to the American people just to cop out by using phony numbers. Speaker GINGRICH spoke for many of us in his response to the President when he said, ''This is exactly what's sick about this city. [Somebody says] Let's find another smoke-and-mirrors.

It's only been, after all, 60 years of deficits.'' It is time to get the job done.

Now, I am no stranger to differences between parties. We have a two-party system. That is so we can have good, wholesome debates between competing programs. But eventually we need to vote and get the job done, and I think we are prepared to do that.

We can take our politics straight up, face to face, but when that is done, we have got to face the budget problems. We must deal with tax relief for the American people, and we must move toward a balanced budget.

Official Washington is looking toward mid-November for what is commonly called a legislative train wreck. I think it is a misnomer, but that's the term being used to describe a showdown over the budget, the appropriations bills and the debt ceiling. I prefer to think of that conjunction in a different way. I think of it as a day of accounting, a time when truth will finally prevail.

The President and his senior staffers have been talking a lot lately about using the veto to block virtually everything that would move this country toward a balanced budget. President Clinton has made his veto pen the last desperate defense of big government.

Over the past 20 years, I have watched the budgets we have dealt with and the appropriations bills. I don't remember a President threatening to veto appropriations bills because they did not spend enough. It was always because Congress could not control its insatiable appetite in spending too much. Now we have a President who is threatening to veto almost all the appropriations bills, with only one or two exceptions, because he wants more spending, increases over last year, increases that will add to the deficit.

So we have a tough task before us. Many people wonder if we will be able to get the job done. I believe we will. I would like for it to be done with cooperation between the two Houses of Congress, across the aisle between the two parties, and, yes, with the President. I encourage the President to join us in this discussion.

This is a crucial time. Over the next few weeks we have to make tough decisions. It is time that we engage. We need the President to get involved, to roll up his sleeves and say we are going to do what is right for our country's future.

Today Senate Republicans look both to the immediate opinion of the American people and to the judgment of their posterity. It is, after all, our children and our grandchildren, most of all, for whom we are doing this. They, rather than any party, will be the big winners in the reconciliation bill in 1995.

That is why I and my colleagues approach the arguments, the decisions, and perhaps the crises ahead with a confidence that goes beyond political assurance. Like the Quaker poet of the last century, John Greenleaf Whittier, said, we know we have ''the safe appeal of truth to time.'' That is what this is all about. And now is the time for historic decisions.

Mr. President, I yield the floor. And I observe the absence of a quorum.

The PRESIDING OFFICER (Mr. THOMAS). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BURNS. Mr. President, I ask unanimous consent that the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEDICARE REFORM

Mr. BURNS. Mr. President, with the press and all the reports and the dialog continuing on Medicare, I guess for most of us who are trying to do some things to reform Medicare, to strengthen it and save the program, which has broad-based public support, we have become frustrated about what is really at issue here. We know that there have been ways devised in order to save and strengthen the program and to increase the spending on each beneficiary between now and the year 2002.

With those that would be critical of the plan that has been put forward and with continuing to call what some would say are cuts in Medicare, then maybe we should approach it from a situation that maybe if you think it is a big cut, let us just freeze it, let us just freeze it at current levels. And I wonder if they would start counting the apples that are in their basket.

You know, it seems to me that math is a funny subject to study. But, nonetheless, if you have 48 apples in your basket, and by the year 2002 we are going to add some apples to that basket to where you have 67, in other words, 2½ apples—that is pretty tough to do, add a half apple a year to your basket—that does not sound like a cut to me. It sounds like an increase to me. But the cost per beneficiary will go from $4,800 presently being spent per beneficiary to $6,700 in the year 2002. That is under the plan that is presently called for in the budget resolution that passed this body and this Congress.

What started this whole debate is right here, this little report. Now we cannot get very many of them because they did not print very many of them. But it is the status of Social Security and Medicare programs done by the trustees, of which four of the seven are President Clinton's own appointees.

They said it pretty plainly, ''The Medicare Program is clearly unsustainable in its present form''—in this little report.

There have been other reports that have come out in the past that said Social Security will run out of money. Other reports say, in 2 years, Medicare will run out of money. Those reports are OK, but this one is a little bit different because next year is the first time in the history of the Medicare Program, which is 30 years old this year, the first time when we will be spending more money in outlays to the beneficiaries than we have money coming in—for the first time. That changes the debate a little bit, and it also should change the way we look at this problem and the way we want to deal with it.

So the trustees say we have to do something about Medicare. Secretary of Health and Human Services Shalala, Secretary Reich of Labor, Secretary Rubin of Treasury, Commissioner of Social Security, Shirley Chater, all appointees of President Clinton, said:

> We feel strongly that comprehensive Medicare reforms should be undertaken to make this program financially sound now and over the long term.

We went through a situation in Montana, when I was a county commissioner, of falling property values. We had an initiative passed in Montana that froze all property taxes, the mills that we could levy, and we were in pretty tough straits trying to finance county government. That may not sound very important to us who work in this town but, nonetheless, the people who live in our counties and our cities across the Nation would say that is pretty important because that operates our schools, takes care of our sheriff departments, public safety, our roads, bridges.

You had to act then to make some adjustments to our outlays, or we would find ourselves in financial difficulty that we could not get ourselves out of. If you do not take into consideration that next year we will be paying out more than taking in, and as that escalates, pretty soon if we go 2 or 3 years, then you will find even this Government will be incapable of dealing with the debt that has been created by overextension of payments out of the Medicare Program.

So, basically, what they said was that we had to take some actions now.

Let me show another chart. They also said:

> We strongly recommend that the crisis presented by the financial condition of the Medicare trust funds be urgently addressed on a comprehensive basis, including a review of the program's financing methods, benefit provisions, and delivery mechanisms.

In other words, let us take a look at the whole program, and we tried to do that.

> Today, Medicaid and Medicare are going up three times the rate of inflation. We propose to let it go up at two times the rate of inflation. That is not a Medicare or Medicaid cut. So when you hear all this business about cuts, let me caution you that is not what is going on. We are going to have increases in Medicare and Medicaid, and a reduction in the rate of growth.

Guess who said that? President Clinton, October 5, 1993.

Who is fooling whom? We have to take a look at all of it. This is what the President wants. He is saying, let us limit the growth to 7 percent; the budget resolution says 6.4. We have an area where we can really, really compromise and come up with a program.

So we have established that there are not going to be any cuts in Medicare. So how do we deal with it? We say, ''Mr. President, that is exactly what we have proposed in this Congress.'' So how is it that President Clinton proposes a reduced growth rate and it seems acceptable and yet, when the Republicans propose the exact same thing, it is splashed all over papers and televisions and all across our States by the folks on the other side of the aisle as ''devastating cuts.'' I think it is time for a little fairness here, and I also advise all of us, you cannot have it both ways.

So if you do not like the cuts, let us just freeze them. Think about that for a little bit. We will freeze it at levels right now. I am wondering if that will be acceptable to the other side. The senior Senator from Montana recently wrote a guest column in the Missoula paper. He said, ''There is no crisis here.'' Their report clearly states the crisis needs to be urgently addressed. It does not say we should start to think about maybe making some changes. It says now is the time to do it. That is, deal with it when we have the ability to deal with it. We cannot stick our heads in the sand, not for very long anyway, because you know what is exposed the most.

We have to worry about the financing. Any savings in this plan—any savings—even in part B, goes back into the plan. It can go nowhere else. It must stay in the system of Medicare, either part A, which is the hospital trust fund, or part B, which is the dollars. It has to stay there. Any savings goes back into the plan. It can go nowhere else. It can finance no other part of government. So the trustees' report requires us to act.

Anyone who says otherwise is not being very candid with the American people. It is not being very honest if we are to preserve the system while expanding the choices the beneficiaries will have if we do nothing at all. With the proposal now on the table, spending continues to increase around 6.4 percent a year. That is twice the rate of inflation. That means spending per beneficiary will go from $4,800 a year to $6,700 in just 7 short years. And I ask you, can that be a cut?

So when the other side and the media say we are cutting Medicare to give tax cuts to the rich—we have heard all about that—it sells good but it ''ain't'' necessarily so. In fact, it is not so.

A colleague of mine recently remarked the new Democratic mascot should be the ostrich. We do not want to get into a situation like that.

I also heard the expression other day that maybe it is not Medicare, maybe it is ''Mediscare.'' Every day is Halloween for the other side, because they just like to scare folks.

Mr. President, I say to my colleagues, we are trying to be honest with America, just honest with America. Get the figures down and make sure that we do what this report says we should do and also maybe accept some leadership from our President who said, yes, we have to do some things, and he said it on October 5, 1993.

I do not think he is too far off the mark, and I do not think America thinks that either. I know we do not, and we have undertaken this very, very seriously.

Mr. President, I yield back the remainder of my time, and I yield the floor.

The PRESIDING OFFICER. Who seeks time?

Mr. BURNS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ASHCROFT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, I ask unanimous consent to be recognized for up to 15 minutes following the presentation of the Senator from Missouri.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Missouri is recognized.

TERM LIMITS

Mr. ASHCROFT. Mr. President, the 1994 elections were elections about reform. Those of us sent here by the people of America were asked to make substantial changes in the way this body conducts business, the way in which Government is carried out in this country. The people asked us to make significant changes. In return, we made promises which resulted in their entrusting to us the sacred opportunity to serve the people. The promises we made were important promises. They were promises to end politics as usual, to curtail an imperial Congress. They were promises to balance the budget. They were promises to change the welfare system profoundly.

Mr. President, I believe they were important promises. I believe they were promises upon which the people relied, and have a substantial expectation. We have made progress in satisfying those promises in a significant way.

Earlier this year, the American people were optimistic about our efforts, about our willingness to change Washington. This fall, though, the American people tell a different story. Those who keep their finger on the pulse of the American public have indicated a signal from the people—a serious discomfort with what is coming. The public's faith in their elected officials has again plummeted to an all-time low. Once more, Ross Perot, talks about putting an end to the two-party system, and once more he is heard.

What has happened? What is the reason for the new season of discontent? I believe it is, in part, because the people have asked us to commit to the reforms we promised and they feel that some of their agenda is being ignored. One of those agenda items which we have not directly addressed, that we have not spoken too clearly on, one that is on the minds of the American people indelibly, is the idea and concept of term limits. People are familiar with that. Forty Governors have term limits. Twenty-three States have, out of their own capacity and ability, attempted to impose term limits on the Congress. They see the Congress as being a place which bogs down in beltway politics instead of reflecting the agenda of America, and does so because of individuals who come here and just stay. Certainly, it is an agenda that the people expected us to carry forward. Seventy-four percent of the people support the concept of term limits. They believe, and I believe, it ought to be a part of the agenda of the 104th Congress.

Leadership is about the messages that we send, the signals we give—signals not of rhetoric but of action, signals of real reform. Last March, our class came to the floor to support a constitutional amendment to balance the budget. We spoke of a common commitment to change and a new day in the Congress. It mattered very little that we fell short of the 67 votes we needed. It was clear what we were doing and the depth of our commitment and the sense of our real dedication to that objective. I think the people understood there were some who stood in the way of that objective. But what truly mattered was the signal we sent as a class. It was a signal of promises made and promises kept.

What matters is that we fought the fight, we kept the faith, we kept our promise, and we will keep moving toward that objective. We have already moved toward the objective in the budget, and we are moving toward the objective in the appropriations, and we will again move toward that objective by way of a resolution to have a constitutional amendment.

We must decide what signals we will be sending this fall as the American people monitor our performance. It is out of concern for those signals that I believe we should vote on a sense-of-the-Senate amendment relating to the limitation of terms of Members of Congress. We are talking about the number of terms people in the Congress can serve.

This afternoon, barring any legislative maneuvering, we will have a vote on that amendment. It will be the first time in 50 years that there has been a vote on term limits in the U.S. Senate. I believe it will be an important vote, it will be a historic vote. It does not carry with it the power of law, so it is not a binding amendment. It is, however, an identifying amendment. It is the power of a clear and principled statement of the purpose and resolve of

this body to enact term limits, to provide the people of this country with an opportunity to change the Constitution of this country, to reflect the fact that the biggest perk of all in Washington is the perk of incumbency. The playing field is so inordinately tilted toward incumbents that individuals from outside have a very difficult time challenging.

I am glad that the majority leader has expressed his commitment to voting on this sense-of-the-Senate term-limit amendment. We will send an important signal to the American people that we remain serious about serious reform, that we have an agenda which is the agenda of the American people. We will again say that those of us who were sent here in 1994 made promises—promises that we will be keeping.

The promises we made are not options—they are commitments, they are our mandate. We did not cook up the idea of term limits as an election gimmick. Term limits are part of the fabric of the political philosophy of the same American people who have seen it work for hundreds of years at both the State and local level. They have seen it work when voluntarily embraced by Presidents from George Washington forward. They have enacted it into the Constitution of the United States in the 22d amendment. They expect us to make it possible to enact term-limits into the Constitution of the United States and provide real reform in the U.S. Congress.

Promises made, promises kept. These promises are not an option, they are our mandate.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, I am recognized for 15 minutes, I understand.

The PRESIDING OFFICER. That is correct.

MEDICARE

Mr. DORGAN. Mr. President, I have listened this morning to a discussion about Medicare, and I want to make a couple of points about it, although that was not why I originally sought to take the floor this morning.

It is interesting to me that people say this is not about politics. This is about the sanctity of the Medicare Program, about the solvency of the Medicare Program. Nothing to do with tax cuts, tax cuts for the affluent, but the Medicare Program and its solvency.

I cannot resist pointing out when Medicare was initially offered, 97 percent of the Republicans voted against it. They did not like it. They did not want it. We still have some today who think it is a terrible program, that it is tantamount to socialism.

Now, most people, including most Republicans, think the Medicare Program is a pretty decent program and has been very helpful to people in this country.

No one should misunderstand what is going on here. No amount of discussion on the floor of the Senate should be allowed to persuade people this is something other than what it really is.

I brought a chart to the floor that describes what Kevin Phillips, a Republican political analyst, noted author, noted Republican analyst, says: ''The revolutionary ideology driving the new Republican Medicare proposal is also simple. Cut middle-class programs as much as possible and give the money back to private sector business, finance, and high-income taxpayers.''

That is not from me. That is a description of what this is about from a Republican.

Let me give another comment from Kevin Phillips—again, a Republican. This is not a Democrat, but a Republican speaking. ''Let's be blunt. If the Republican Medicare form proposal was a movie, its most appropriate title would be 'Health Fraud II.' ''

Do not say that is a Democrat standing up attacking a Republican plan. This is a Republican telling us what the Republican plan is all about.

I flew into Minot, ND, on Saturday morning this week. A lady at the airport asked if she could speak to me, and we stepped off to the side where there was a big crowd. She quietly began to ask me a couple of questions.

She was probably 75 or 80 years old. As she began to speak, her chin began to tremble and quiver and she began to get tears in her eyes. She said, ''My husband is in a nursing home and he has been there 3 years. I am paying for the nursing home care. We had a few quarter sections of land. We owned a farm. I have sold most of that farm now to pay for his nursing home care. I cannot get Medicaid help for him, and now I am worried that I will lose my house and not be able to continue to live in my house.''

By then she was a person with tears in her eyes and expressing the anguish that a lot of Americans have about what is going on in this country. This is not about statistics or theory; this is about someone who lives on a farm for 55 years, does not take, always contributes, always helps, always extends and reaches out, and then they reach the end of their life and one spouse is in a nursing home and the other is worried about losing their home.

Or an Indian school that I visited not so long ago where children who come from dysfunctional families, from backgrounds of alcoholism and chemical abuse, are trying to make a go of it and get an education, get some therapy, get some help, told me about one little fourth grader who, when she came to the Indian boarding school, would show up every day down at the school administrative office and ask whether a letter had come from home.

''Has a letter come from home?'' Every day they said, ''No, no letter for you.'' Every day for weeks, the same routine. ''Has a letter come from home?'' Actually, her home was not her parents'. It was her aunt and uncle, because her parents were elsewhere. She was living with an aunt and uncle. Finally, she stopped coming to the office to ask whether a letter had come.

The last week of the school year she got her letter and it was the $5—$5 that she was given by her aunt and uncle for the year, $5 spending money that this poor little girl had counted on because they said they would try to send her some help. Every day she went to see whether that money had come, but it had not. She finally got $5 at the end of the year.

That is the kind of human condition that exists in this country. Policies are wonderful to debate here on the floor of the Senate, but we are talking about little fourth graders, little kids whose lives are profoundly impacted by public policies. We are talking about senior citizens, 75 and 80-year-olds who fear that they will lose their home, who fear they will not have health care, who fear they will get sick and have no money.

People say we are not cutting Medicare; it is growing. We will cut $270 billion from what is needed to fund Medicare at its current level. That is a fact.

Yes, it will increase, but the fact is we will have more senior citizens. That is why it is increasing. And you have health care inflation. That is why it is increasing. But the $270 billion necessary to provide the same kind of care will not be available.

They say this is not about anything other than trying to make the system work. This is about cutting taxes for the rich. That is what Kevin Phillips, a Republican, says it is about. ''Let's be blunt. If the Republican Medicare reform proposal was a movie, its most appropriate title would be 'Health Fraud II.' ''

We will have more debate on Medicare. Do we need to make some adjustments? Yes. Should we take money out of the Medicare Program, a program that works and is so important to people, in order to provide a tax cut to Donald Trump, Ross Perot, and the folks who have it pretty well in this country? I do not think so. That is not what we need to do at this point.

GROSS DOMESTIC PRODUCT

Mr. DORGAN. Mr. President, let me turn to another subject. One of the things that is interesting to me is why we are told daily in the newspapers that the GDP, the gross domestic product, in America is up, our economy is moving forward and we are doing so well. The economists, some politicians, say, gee, things are really moving along. We measure progress in America

by the gross domestic product. They say NAFTA and GATT—more jobs, more progress. We are better off because the GDP goes up. Experts worship it. Economists worship at the altar of the GDP.

The Federal Reserve Board comes to the Congress in the last year and a half and says the economy is growing too fast based on the GDP. What we really need to do is create more unemployment and less economic growth. That is what we hear from some of these economists.

Why, when Americans are working longer and harder just to keep up, why are we told that things are so good, that the GDP is a measure of enormous progress?

Finally, there is a cover story in the recent issue of the Atlantic Monthly that provides some clue. It is called, ''If the Economy Is Up, Why Is America Down?'' I urge my colleagues to read this article because it helps explain the big gap between what the economists talk about in economic progress and what the American people feel or actually experience.

Economists, this article says, view the economy through kind of a warped and myopic system, a counting system called the gross domestic product. The GDP was invented actually during the Second World War to guide the Nation's production through the Second World War. It is basically a tool of planning of industrial policy that was never really designed to serve as a guide to how well the economy is doing, but that is how the experts, economists, and politicians use it here in Washington.

Essentially, the gross domestic product adds up everything Americans spend and declares that as the total good. The more money people have to spend, the better this weird accounting system says we are doing.

As a result, all of the pain and all the misery, the social breakdown, shows up in the computer screens in Washington, DC, as economic gain. The hundreds of billions of dollars that Americans spend to cope with crime, the lawyers, the social breakdown costs is all GDP—car crashes, fender benders in front of the Capitol—gross domestic product increasing. Mr. President, $200 billion a year in repair bills and hospital bills, car accidents give this country a real boost.

Americans lose some time with their children because wages are falling, so they work longer these days, and both parents often have to work. When the kids go into day care, that is more GDP. When the roads are so congested it takes more time to drive to work, the gas people burn in their car to sit and wait, that is more GDP.

The lists goes on. Almost everything Americans experience as bad shows up in the gross domestic product as good. They do not take account—the economists—of the contribution of the family and the household as an example.

It is a curious circumstance that the sectors of the economy which are crucial to economic well-being in this country, the social realm—that is the economic functions performed by households, by the communities and all across the country, by people in their natural habitat—those do not count. Those are not part of the national accounting system. Most of the Nation's important work that goes on, from caring for children to older people volunteering their work in many different forms—that is the social glue in this country. Yet because no money changes hands, no one scores that. That is invisible to the conventional economists.

GDP does not count at all in these circumstances, because it means the more our families and communities decline and a monetized service sector takes over, the more the GDP goes up and the more these economists think our country is doing better. They count the poisons in our air and water as double gain, once when the factory spews it out and also, then, again when we have to buy bottled water and air purifiers to deal with it. Then the Government has to spend billions to clean up the Superfund site, so it gets counted again.

We are awash in this kind of phony accounting. It is like a gas gauge on a car that goes up as your car is running out of gas. That is the problem with the GDP measurement and, as the authors in the Atlantic article point out, by the curious standards of the GDP, the Nation's economic hero is a terminal cancer patient who is going through a divorce. They say the happiest event is an earthquake or a hurricane.

I pointed out on the floor before that when hurricane Andrew came through and leveled Florida, the economists counted that as a one-half of 1 percent gain of the gross domestic product in our country. The same phony accounting labels lead to political double-talk when you are talking about GDP and what makes the economy tick. When politicians want to push tax breaks for big corporations or for top executives, they talk about growth, by which they mean GDP. When they want to earn political Brownie points, they blast Time Warner for gangsta rap, for example. Gangsta rap is GDP.

Entertainment is one of the fastest growing parts of the economy and so is gambling and so is prison building. It is all GDP. So, when the politicians say they want more GDP, what are they calling for, more television programs with violence? That is GDP. Is there any distinction between what is good and what is bad, what advances our country's interests and what retards it?

The family or business that uses this kind of a system to measure its progress would not last very long at all. They would be bankrupt in a month. Yet, America has been making economic policy by using this indicator of progress for 50 years, and we need to change.

I do not agree with everything in the article that I referred to in the Atlantic. Some things I disagree with. But I think it is a useful thing for us in this country to begin exploring. Does the gross domestic product really measure anything, anything useful—a gross domestic product that leaves out the value of the care that someone gives for a sick parent, that includes the value of the cleanup from a hurricane but does not include the damage from a hurricane, does not include the damage from a car accident?

You know, another economic all star with the GDP is someone with a cardiac problem. You talk about a heart attack, we are talking about real GDP. The whole system swings into action with a heart attack, and that advances the country's economic interests, right? Of course it does not. Of course it does not.

I hope my colleagues will read not only the Atlantic article, but I am going to include in the RECORD an article written by Lars-Erik Nelson in the Daily News and an article in the Financial Times by Michael Prowse on this same issue.

This is an important issue, and I hope we will begin to look at it in a thoughtful way and evaluate what do you measure to determine what advances American economic interests.

Mr. President, I ask unanimous consent to have those articles printed in the RECORD, and I yield the floor.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Daily News, Sept. 29, 1995]

A FUNKY WAY OF LOOKING AT U.S. ''GROWTH''

Washington—If the economy is growing as all the economists tell us, why are Americans in such a foul mood? This is the question that undermined Reaganomics, defeated President George Bush and has President Clinton muttering about a national funk.

And now we have an answer, both simple and blindingly clear. The people are not wrong. The economists are. What they measure as growth in the Gross Domestic Product is merely increased spending—not what that spending actually buys.

Under the currently accepted definition of growth, if you sit stuck every day in a traffic jam, burning gasoline and wasting your time, you are contributing to growth. If you spend more and more money, $65 billion a year, to protect your self against crime—locks, insurance policies, replacement of stolen goods—that's growth.

The GDP does not care whether the money is spent for useful purposes or for decay. Spending on food and pornography rank equally. Divorce is a major contributor to our ''economic growth'' since it piles up lawyers' fees, the cost of a second home and counseling.

And the GDP assigns no value to intangibles like air pollution or the loss of leisure time. If you're to busy to cook or read stories for your children and so you buy them prepared meals and leave them in front of a VCR that's counted as pure economic growth.

This flash of insight is spelled out in the October Atlantic Monthly by Clifford Cobb. Ted Halstead and Jonathan Rowe, ''By the curious standard of the GDP,'' they write, ''the nation's economic hero is a terminal

cancer patient who is going through a costly divorce. The happiest event is an earthquake or a hurricane. The most desirable habitat is a multi-billion-dollar Superfund site. All these add to the GDP because they cause money to change hands.''

The most bizarre example is the $32 billion diet industry. ''[The GDP] counts the food that people wish they didn't eat and then the billions they spend to lose the added pounds that result.''

Instead of GDP, the authors propose a different measure—a Genuine Progress Indicator—that would total up the nation's expenditures (including intangibles like the value of parenting) and then subtract the obviously negative components: costs of crimes, family breakdown, loss of leisure time, commuting, automobile accidents, pollution and environmental damage.

Lo and behold, they come up with figures—debatable to be sure—indicating that in terms of genuine progress we have not come very far since 1960. We have an abundance of gadgets but the costs—in family breakdown, safe neighborhoods, good public schools, jobs that let a single earner raise a family—have offset the technological gains.

The ''growth'' myth has been a terrific weapon in persuading Americans to accept a worse qualify of life NAFTA, the Mexican trade agreement, is good for us because it will add to ''growth''—never mind what it does to a community that loses a factory. Cutting down old-growth forests adds to growth. The gambling industry is growth. Gangster rap is growth. ''Showgirls is growth. The millions spent on the O.J. Simpson trial—it all adds to our economic ''growth''.

What the three authors have figured out is that we spend so much of our incomes not to add to our quality of life but merely to insulate ourselves from a world that has grown less civil. We work harder, spend more, have less time, and the economists tell us we are growing. No wonder there's a funk.

[From the Financial Times, Oct. 2, 1995]

BETTER WAYS TO MEASURE PROGRESS

It may be time to consider new yardsticks of economic and social progress. Gross domestic product has grown robustly for years in the US and many other countries. Yet, ordinary families believe they are worse off than in the past. The official data do not appear to measure economic life as it is experienced by real people. They ignore the ''feel bad'' aspect of growth.

GDP has acquired an extraordinary aura of authority over the years. Yet it is worth recalling that national accounts in their present form were invented quite recently. They were a response to the needs of the generation that endured the Great Depression and fought in the second world war. The priority then was to find ways of utilising spare resources, first to combat unemployment and then to further the war effort. A measure of ''final monetary demand'' was essential if Keynesian policies were to succeed. GDP filled the bill perfectly. And, in an age of slide rules, it was not practicable to supplement it with more sophisticated measures of economic well-being.

Today's needs are different. Our ability to sustain the growth of monetary demand is not in question. The focus of attention is now on ecological and social concerns. After decades of rapid industrial expansion, we worry that growth may inflict irreparable damage on the natural environment. We also worry that the social fabric of nations is being ripped apart. Economic growth will not bring happiness if the quality of life is simultaneously being destroyed by social shortcomings, such as rampant crime, family breakdown, inadequate education and so forth.

The Roosevelt generation devised the statistical measures it required to solve its problem. Should we not do the same? This seems to be the thought underlying two recent attempts to devise broader measures of economic well-being. A group at the World Bank argues that economic health is best measured by a broad yardstick of wealth or net worth, not by the annual flow of monetary income. Instead of simply focusing on ''produced assets''—the products of the market economy—it draws attention to three other classes of assets: natural capital (such as forests and mineral deposits); human resources (the value represented by education) and social capital (the value of human organisations and institutions).

A Californian think-tank called Redefining Progress has a somewhat similar philosophy. It is promoting a new measure of economic health called the Genuine Progress Indicator (GPI), which adjusts for many social and ecological factors ignored in GDP figures. The group has persuaded 400 US economists to sign an anti-GDP manifesto stating that ''new indicators of progress are urgently needed to guide our society: ones that include the presently unpriced value of natural and social capital''. Luminaries backing the GPI initiative include Prof Herbert Simon, a Nobel economics laureate, Alvin Toffler, the futurologist, and Ted Turner, the media magnate.

How economic well-being is measured makes a bigger difference than you might suspect. Measured by per capita GDP, the US is one of the world's richest nations. Yet it ranks a poor 12th on the bank's per capita wealth measure, behind countries such as Norway and Denmark. Per capita GDP figures indicate that the US has been growing robustly for decades. Per capita GPI, on the other hand, peaked in 1969 and has since fallen substantially.

These large discrepancies are not altogether surprising if you remember that the alternative measures are trying to capture wealth not reflected in monetary transactions. The bank team discovered, to its surprise, that the value of human resources-accounts for about two-thirds of the typical nations's total wealth. One reason is that people tend to become more valuable over time: they learn as they generate income and so become capable of generating more income. Produced assets such as durable goods and factories, by contrast, rapidly become obsolescent. Yet this principal source of national wealth is ignored in conventional national accounts.

The rational for GPI is explored at length in the October issue of the Atlantic Monthly magazine. The main reason why it shows a decline in US economic welfare is because it insists on fully accounting for the depletion of non-renewable natural resources, the cost of pollution and many other forms of environmental degradation not captured in GDP figures.

But it also allows for many aspects of social welfare ignored in official statistics, such as the economic value of housework, volunteer labour and leisure time. It treats many types of market transaction as negatives rather than positives; for example the spending associated with crime, family breakdown and commuting are regarded as costs not benefits. It even adjusts for income distribution, deeming greater inequality a negative for social and economic progress.

I have reservations about all ''macro'' indicators. Any attempt to measure ''social welfare'' involves a host of subjective judgments. A measure such as GDP that fails to value natural capital or non-market labour can hardly be construed as neutral or objective. The issue is not whether we have macro indicators, but whether we have indicators that are relevant to people's needs. We cannot live forever on the Roosevelt generation's intellectual capital. We have to move beyond GDP.

The PRESIDING OFFICER (Mr. DEWINE). The Senator from Wyoming is now recognized for up to 1 hour.

CHANGE

Mr. THOMAS. Mr. President, my purpose in requesting an hour was to share with my freshman colleagues an opportunity to talk some about change, an opportunity to talk about the real chance we have to bring about change here in the next 3 weeks. So I intend to take 10 minutes and share the rest, then, with other members of the freshman and sophomore class. I wanted to talk just a little bit about change. I wanted to talk a little bit about the development of policy.

I must confess, I am concerned we are seeking increasingly to formulate public policy in this country based on something other than facts, to formulate public policy based on what seems to be a marketing technique to oppose change. I want to talk about that just a little bit.

My friend from North Dakota just finished. He just finished talking in some areas I think are not factual, that I think probably do not represent where we are really going with policymaking in Medicare.

What we are doing is, those who are opposed to change in Medicare are seeking to use scare tactics to cause people to think Medicare is going out the window, we are not going to do it, when the fact is if we do not make some changes, then we will lose Medicare. Those of us who want Medicare for the elderly, for those of us who want Medicare soon for ourselves and others, know you have to make some changes. The idea we are going to cut and ravage Medicare just is not true. Whether it is Phillips or whoever it is, the fact is that the spending is going to increase. What we are talking about doing is changing a growth pattern that is not maintainable—more than 10 percent—bringing it down to 6.5 percent.

Mr. DORGAN. Mr. President, inasmuch as the Senator from Wyoming mentioned my name, I wonder if I might just ask the Senator from Wyoming a brief question. If the Senator from Wyoming believes——

Mr. THOMAS. The Senator has had his time. I really do not yield to him. I would like to go ahead and make my presentation, sir. You have made yours.

Mr. DORGAN. The only reason I ask the question is the Senator from Wyoming suggested they were not facts coming from this side; in fact, we were misstating facts. I wonder if the Senator would be prepared during the hour at some point to discuss specifically

what he means by that, so we can discuss what he means is factual and not factual.

Mr. THOMAS. If the Senator will yield back my time, I will be happy to, because I intend to do that. We are talking here that it is being done to save taxes. That is not true. That is just not true. If there was no budget crisis at all, if there were no tax reductions being talked about, you have to do something with part A of Medicare. Kevin Phillips and others seem to ignore that.

The fact is, the money that goes into part A of Medicare is taken from your salary and mine, 2.9 percent, and goes into this fund. And this fund, according to the trustees, three out of six of whom are Cabinet members, they say that by the year 2002 that fund will be paying out more than it is taking in. That is a fact.

The fact is, even if you did not have anything to do with the budget, you would have to do something if you want to continue to have Medicare based on that premise of paying for part A from what is withheld from salary and from the employer. That is a fact.

So, that is where we are. The people who oppose change do not talk about that. They get into this tax thing, which really, really has nothing to do with it. And, on the contrary, the opposite is they do not have any suggestions. They simply want to complain about the idea that people are saying we need to make some changes there. And our friends stand up and say ''Oh, yes, we need to make changes,'' and then resist every change that is made.

So, I think we need to start talking a little more about the facts and get a little off this idea of a marketing rhetoric that is designed, simply, to oppose what it is we are doing. We have a basic difference in philosophy. I understand that. That is perfectly legitimate. That is what elections are about. That is what two parties are about.

I happen to think we are better with less government and less taxes, and trying to find a way to reduce the costs of Medicare, not to simply find more money to put in it.

Do you want to talk about fraud? The Senator mentioned fraud. Most experts indicate that there is $30 billion of fraud in Medicare now. So I feel very strongly that, if we are going to have public policy that is good public policy for all of us, public policy needs to be made based on some facts and not simply some kind of marketing technique.

The other is change. Mr. President, we have a great opportunity now to make change. We have an opportunity in the next several weeks to finish the job the American voters asked us to start last November, to finish the job we said we would do: To have a less intrusive Government, to have a Government that costs less, to have a Government where the programs that are in place have been evaluated in terms of their effectiveness, whether or not the expenditure of taxpayers' money is getting to the people it is designed to assist. For a program such as welfare, the job is evaluating whether it is indeed accomplishing what it set about to do, and that is to help people who need help and then to help those people into a position to help themselves. Is that happening? The answer is no.

So, if you would like to have different results, I think it is imperative that you change. It is pretty hopeless to look for something to happen, to continue to do the same thing and expect different results. Mr. President, that does not happen.

We have a great opportunity in the next several weeks to talk about fundamental change for the first time in 40 years; for the first time in 25 years, to balance the budget. Who would argue with the idea that we need to balance the budget, that it is not morally and fiscally responsible to balance the budget? We hear that—yes, yes, that is a good thing to do. But, when we seek to do it, all we hear is resistance to it.

We are going to do that. We are going to save Medicare, and Medicare has to be changed to be saved. We are going to reform welfare. These are the things we are setting about, necessarily, to do.

It is tough when you talk about change. It is hard to change the direction of Government. It is increasingly difficult as the Government is in more and more programs, that more and more people are involved in lobbying for those programs, that more and more people are involved in the bureaucracy that supports those programs. So it is difficult to make change.

Change is what President Clinton talked about almost 3 years ago when he was elected. Has he brought about change? The biggest change was the largest tax increase we have had in the history of this country. But I think change was the basis for the 1994 elections. I think change is something that almost everybody embraces, but it is difficult to do, and I do understand that. But if we are to have different results, we have to change the way we do things.

Mr. President, we have worked now for a number of months. We are down to the critical decision time, when all this work now will result in a decision and we will decide whether we are going to balance the budget. We will decide what kind of country we want to transfer to our kids and their kids, as we go into another century.

What happens if we do not? In a few weeks we will be talking about voting on a debt extension to $5 trillion. In just a year or two, unless we change, we will find that all the available tax revenues will be used for entitlements and interest on the debt. If we do not change, we will not have a Medicare Program by the year 2002.

So, change is not an option, in my view. Change is exactly what has to be done, and, of course, there are different views of how you do it. But the idea that you use a marketing rhetoric designed to scare people and say change will devastate the programs that the country is committed to carrying out just is not the case.

I think we need to continue to say, here are the good things that happen when we balance the budget and ultimately reduce the amount of money we take out of families to pay for Government. We can reduce the growing inflation. We can create more jobs by putting more dollars into the private sector. And we can be more effective in what we do.

So we are talking about change. We are talking about public policy based on facts. We disagree, then, as to the remedy. But we ought to start, at least, by recognizing these facts that are there, that are described not by the Members of Congress but by the trustees of Medicare.

Mr. President, our time is to be shared among several of our freshman colleagues, so I would like now to yield to my colleague and friend from Georgia. And he then will be followed by another. I yield to the Senator from Georgia.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

HISTORIC DECISIONMAKING

Mr. COVERDELL. Mr. President, as my good colleague from Wyoming has noted, the contemporary custodians of this great democracy are coming upon a decision in the next several weeks that will be historic. For the first time, we will be considering major questions with regard to how we are going to govern ourselves. We will be taking under advisement major changes. We will be talking about balancing the budget for the first time in 32 years. We will be talking about dramatically changing the welfare system that has been developed over the last 30 or 40 years. We will have before us a proposal to protect Medicare, and we will be talking about lowering the economic burden on every working family and business by lowering taxes.

Obviously, when you are talking about changes of this magnitude, which I believe the vast majority of Americans believe should occur, they want taxes lowered. They are tired of a welfare program that does not work. They cannot believe we do not balance our budgets, and they are worried about a Medicare Program that is collapsing.

In the midst of this, of course, you will have very adversarial debate, contentious debate. Essentially, the debate is centered between two very different ideas about governing America. On the one hand, mostly on the other side of the aisle, we have defenders of Washington as it is, that we should not balance our budgets, it is too difficult to balance our budgets; we do not need

to lower taxes—in fact, we should raise them; Medicare is just fine the way it is, put a Band-Aid on it and it will be OK; and we ought to leave the welfare system just the way it is today. Obviously, these two views take the country into the new century very differently. If we leave things the way they are, I think we are turning our back on the American people.

Coming back to my point, though, about the contentious debate, I was with a group of people from my State last week. I was very interested, as they tried to sort out these two presentations, change or leave it the way it is, and I purposely asked them were they aware of the Medicare trustees' report? They really were not.

Then I asked them: Do you know about the bipartisan entitlement commission work that was issued earlier this year? They had not even heard of that.

So the point I would like to make this morning to every citizen who may be listening is, in addition to listening to this debate, which is historic, on their own they ought to get a copy of the bipartisan entitlement commission report, which was chaired by Senator KERREY, a Democrat, and Senator DANFORTH, a Republican, appointed by President Clinton, and they should for themselves read the report, or scan it. Beyond listening to the debate going on back and forth, go get a copy of the report. It was issued early this year. Get a copy of the Medicare trustees' report for themselves and their family and look at what it says. That is not a political ad. That is not a political speech. That is just an objective statement about the condition of the financial affairs of the United States. Read it for yourselves. You can skip the ads. You can almost skip these debates, but just look at the documents themselves among your own family.

What does the bipartisan entitlement commission report say? It says that within 10 years, maybe 8, maybe 12, all U.S. resources are exhausted—all of our revenues, the vast revenues of the United States are exhausted—by just five expenditures.

The five expenditures are: Social Security, Medicare, Medicaid, Federal retirement, and the interest on our debt. And then there is nothing left. So we will not be arguing about the size of the Defense Department; there will not be one. And the debate that went on in the House about school lunches, we will not have to worry about that; there will not be enough to deal with it.

Five expenditures; nothing left. Social Security, Medicare, Medicaid, Federal retirement, and the interest on our debt, and it is all gone. That ought to be a wakeup call for anybody.

Now, the Medicare trustees' report came out in April. It says the first entitlement to run out is Medicare in 2001, 6 years and it is all over; there will not be any money to write a check. And then it goes on to say the Congress and the President need to take bold and corrective actions to make this program solvent.

The balanced budget that we will be dealing with in the next 3 to 4 weeks attacks all of these issues. It balanced the budget so it quits adding debt. That is a plus. It takes Medicare and tries to reconfigure it, save money, so that it stays solvent longer. That is a plus. It takes Medicaid and starts to restructure it and move it to the States so that it can be more efficiently run. That is a plus. It lowers taxes, which expands the economy, which makes it easier for us to deal with these problems. That is a plus.

Now, meanwhile, the President first said he was not going to give us a budget. Then he gave us a budget that was unbalanced as far as the eye could see. And then he said, ''I'm going to give you a balanced budget. It will balance in 10 years.'' He has gone across the country saying that. And the Congressional Budget Office says that is phony, that that budget does not balance in 5 years, which he promised when he ran for President. It does not balance in 7 years, like the majority of this Congress is trying to do. And it does not balance in 10 years like he said it does. It is never balanced.

I do not think you have to be a math major to understand that if you just keep submitting budget after budget and it never balances, we are not going to solve these problems that these two reports have told America about.

Mr. President, in conclusion, let me just say that while these are sober messages and this is an important debate, we ought to remember that if the United States, this great democracy, this only superpower, takes control of its own finances and manages them, we will create unlimited opportunity for America as it comes into the new century. And we will start reaping the benefits very quickly.

We are going to lower interest rates because our budgets are balanced. That means every family that buys a car, borrows money to educate, or buys a refrigerator or new home saves money that they can use to carry out their mission in their own family. It means we are going to create millions of new jobs. And it means America is going to be strong when it comes into the new century, able to defend itself and its stature in the world and make this a more peaceful world and a more secure world for every son and daughter of America and the world itself.

Mr. President, we have everything to gain and everything to lose. And the decision about what this country is going to be as we get into the new century is going to be made on our watch. I like to tell Americans whenever I am speaking to them that they are sitting next to the American right now that is going to make the decision. We cannot pass this to another generation. We are going to make this decision.

If we do it right, we will have done what every generation of Americans has done, protected the great democracy and given it to the future with broader and greater opportunity.

Mr. President, I yield the floor.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

TAX CUTS

Mr. GRAMS. Mr. President, as an author of the $500 per child tax credit, I want to join other Republicans this morning and am very pleased to express my support for the Senate Finance Committee's tax-cut package. I want to congratulate the chairman of the Finance Committee, Senator ROTH, for keeping his pledge to fight for the entire $245 billion tax-cut package and also for making the $500 per child tax credit the centerpiece of the committee's plan.

This plan represents the true change that the American voters called for last November. Contrary to the longstanding belief inside the Washington beltway, tax dollars do not belong to the Government; they belong to the taxpayers. Cutting taxes is not some kind of reward to the American people; it is rightfully their money to keep.

Now, when I introduced the $500 per child tax credit as part of my Family First legislation in 1993, I had high expectations, but I never thought we would make so much progress so quickly. But then, again, I never counted on a revolution in 1994.

As we Americans know, revolutions do occur over tax policy. Just think of the Boston Tea Party, which paved the way toward the American Revolution, which was staged over a tax of just one-half of 1 percent. Now, that does not seem like much when it is compared to the President's $255 billion tax hike that we were fighting just 2 years ago, the largest tax increase in American history.

Then came November 1994, a second American revolution, which turned the Washington elite on their heads. With it, along with the dramatic change demanded by the voters, comes the opportunity to disprove the liberals' well-worn philosophy that your salary somehow belongs to the Government. With just one election the American people stopped this tax-and-spend trend in its tracks, and it reminded Washington to get off our backs and to get out of our back pockets.

By passing the $500 per child tax credit, the Senate will give nearly $500 million a year in tax relief to families in Minnesota every year. It will be $25 billion in tax relief for Americans across this country every year. And the benefits of this tax credit will be directed where it is needed most, and that is to the middle-class Minnesotans and all Americans who work hard, pay their bills, and finance the Federal Government with their tax dollars.

But most important, we will keep the promises we made to the American people. Minnesotans elected me to the

Senate to balance the budget, reduce the size of Government, and to allow average working-class people to keep more of their hard-earned tax dollars. And the passage of the $500 per child tax credit is the best message that we can send that our promises will be kept.

While we still may need to work out all the details of this plan, we should all agree on the overall thrust of empowering people, not Government; rewarding taxpayers, not the bureaucrats; and take money out of Washington and leave it in the hands of the people who have earned it.

We cannot back down now. We must continue to push ahead in spite of the criticism that is aimed our way by the defenders of the status quo. They will try to chip away at this tax cut in an attempt to maintain the grip that they have held on your salary for the past 40 years. So I encourage my colleagues to resist these attacks, to be proud of our efforts to cut taxes, because it is the right thing to do.

Mr. President, I again commend Chairman ROTH and the majority leader for producing this tax package. I look forward to supporting a balanced budget and a $245 billion tax-cut plan here on the Senate floor. We can do both. We must. We will cut taxes and we will balance the budget this year.

Thank you very much. I yield the floor.

Mr. KYL addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

A BALANCED BUDGET

Mr. KYL. Mr. President, earlier this year the Congress had the opportunity to pass the balanced budget amendment and put an end to chronic budget deficits. As we know, the amendment failed by a single vote. A number of those who opposed it did so saying it was not needed, that Congress could balance the budget if only it had the courage and the will to do so.

Well, those of us who heard the message that the American people sent so loudly and clearly just about a year ago pledged that with or without the balanced budget amendment, we would work to balance the budget by the year 2002, just as we promised the American people last fall. Failing to address the budget problem not only threatens the economic well-being of generations to come, but also the ability of our Government today to respond to our needs.

The national debt now amounts to about $18,500 for every man, woman, and child in the country. In 1994, every American paid an average of about $800 in taxes just to pay the interest on the national accident. My new grandson, born just 5 months ago, can expect to pay $187,000 in his lifetime just to service the debt, just to pay the interest on the debt. I cannot look at him without thinking of that obligation, without thinking of our responsibility to every child like him where this Congress and the Congresses before us have run up the credit card debt and, in effect, as we leave the stage, we will be handing that to our children and our grandchildren. It is immoral, Mr. President.

The gross interest on the national debt will amount to nearly $300 billion this year. That is $300 billion of lost opportunity now, money that cannot be spent on health care or housing for the poor, nutrition, law enforcement, and defense—anything else. We cannot afford not to balance the budget given these realities.

A failure to balance the budget means condemning our children and grandchildren to a declining standard of living just because we are unwilling to pay our bills today.

Balancing the budget will not only pay dividends to future generations in that they will have less in taxes to service the debt and thus get more out of their Government for every dollar they pay, it will also pay dividends to our generation as well.

The Congressional Budget Office predicts that a balanced budget by the year 2002 would facilitate a reduction in long-term real interest rates of between 1 and 2 percent.

For business, a 2-percent interest rate reduction would result in lower investment costs, opening up new opportunities for job creation and business expansion.

A 2-percent reduction on a typical 30-year $80,000 mortgage would save homeowners $107 a month, that is $1,284 a year, or over $38,000 over the life of the mortgage.

A 2-percent reduction in interest rates on a 4-year $15,000 new car loan would save the car buyer $676.

A 2-percent reduction on a typical 10-year student loan for a 4-year private college would save students and their parents nearly $9,000 in interest costs, an 8.5-percent cost reduction.

Critics will not argue these points, but they are not willing to make the difficult choices to balance the budget either. They are avoiding their responsibility.

Frankly, as the Senator from Georgia pointed out a moment ago, President Clinton has no plan to balance the budget and, therefore, must accept key responsibility today. The CBO projects that the President's so-called balanced budget plan would result in $200 billion annual deficits for the foreseeable future. So that is not an alternative.

Let us put the Republican budget into perspective. This year, the Federal Government will spend about $1.59 trillion, a sum of money that none of us can really comprehend, Mr. President, but that is $1,590,000,000,000.

In 7 years, by the year 2002, we will be spending $1.88 trillion—$1,880,000,000,000 that is an additional $300 million, or an increase of 18 percent.

One of the areas of growth is Medicare. Even under the Republican budget, Medicare spending will rise from about $178 billion this year to $274 billion in the fiscal year 2002, that is an average increase of about 6.4 percent per year. Medicare spending will be 54 percent higher by the year 2002.

Mr. President, I was just informed before I came over to the floor that my office has begun receiving a lot of telephone calls from seniors who have received a bulletin from the AARP warning of a cut in Medicare. With all due respect to the people who prepared that bulletin, I think we need to assure the senior citizens of this country that that bulletin is wrong; that they need not be worried about a cut in Medicare because, as I just said, under the budget that is being criticized, Medicare spending will rise from $178 billion today to $274 billion 7 years from now. In other words, we will be spending 50 percent more in 7 years than we spend today.

Total Medicare spending will be $1.6 trillion over the next 7 years, 73 percent higher than what was spent over the previous 7 years. And on average, per beneficiary, Medicare spending will increase from about $4,800 per person this year to $6,700 by the year 2002. That is a $1,900 increase. I think that it is totally irresponsible for any organization to be scaring America's senior citizens, asserting that a $1,900 increase is a cut.

The money that we are spending on Medicare is a lot of money, but we believe it is necessary to care for our senior citizens. We also know that it is necessary to prevent the Medicare Program from going broke. The Republican budget will slow the growth in Medicare because the Medicare trustees have warned us that without doing so, the system will go broke.

But are we cutting the growth in Medicare in order to pay for tax cuts for the rich? No. Revenues in fiscal year 1996 are projected to be $1.4 trillion. By 2002, they will total $1.88 trillion. That is 34 percent more than this year. So revenues to the Federal Treasury are increasing, not declining. We are proposing that those revenues just not increase quite so much, just like we are proposing that spending just not increase by quite so much; that a tax cut is not reducing the revenues to the Federal Treasury. They are still going up by 34 percent.

Many in the opposition do not want to concede that Medicare spending constraint is needed because, frankly, they like big Government—the Government that chooses the doctors people see, the procedures that they perform. They do not want to see tax relief because it deprives them of the revenue to expand Government even further into our lives.

Let me conclude by talking for a moment about our proposed tax cuts. Tax relief is really the dividend we are giving the American people from the downsizing of the other parts of the Government: The $200 million reduction in the congressional budget, which the President has vetoed; elimination of the Commerce Department, which he

threatens to veto; reforming welfare to get people back to work, to strengthen families and force deadbeat dads to pay support; and consolidate and eliminate other programs. So the tax relief is the dividend to the American people for Congress downsizing this Government.

Some oppose tax relief because they do not believe the American people can make better decisions on how to spend the money that they worked so hard to earn. The Republican Party puts faith in the American people and the States. I would not be rich but I would be wealthier than I am if I had a dollar for every time somebody on the other side of the aisle proclaimed that it was necessary for the Federal Government to make these decisions because we cannot trust the States.

Mr. President, you and I know it is a whole lot easier to influence directly the people at the State and local levels who are making the decisions than it is to get the Federal Government to slow down, to change direction and to begin moving in the right direction.

The opposition's bottom line is, support big Government. They do not want to see programs and agencies eliminated. But the bottom line is that the Government is the problem. As Bill Bennett, former Education Secretary said earlier this year in testimony before the Senate Budget Committee:

> We have created a nanny state that takes too much from us in order to do too much for us. This has created inefficiency, sapped individual responsibility, and intruded on personal liberty.

Mr. President, I could not say it better. It is time for us to take a stand. Congress cannot duck its responsibility and neither can the President.

The PRESIDING OFFICER. Under the previous order, the Senator from Tennessee has 15 minutes.

THE REPUBLICAN COMMITMENT TO THE AMERICAN PEOPLE

Mr. FRIST. Mr. President, I rise today to join my freshman Republican colleagues in discussing further the Republican commitment to the American people, initially made last year in the elections and carried through to today. We promised essentially four things: to balance the Federal budget, and to do that in 7 years; to end welfare as we know it; to save Medicare, to have the courage to save Medicare and, at the same time, as pointed out by my colleague from Arizona, to strengthen Medicare and preserve it for that next generation, and to not just put Band-Aids on a system that is literally hemorrhaging but to prepare that system and strengthen that system on into the next century; fourth, to reduce taxes in a way that provides relief to families with children, allowing them to keep some of the money they have earned in their own pockets, and to stimulate growth and generate jobs.

The bottom line is very clearly that the future of our Nation and the future of our children depends upon whether we have the courage to balance the budget, to save Medicare, to strengthen Medicare, to end welfare as we know it, and to give some degree of tax relief.

The current path of this country leads to uncontrolled Federal spending and borrowing, skyrocketing annual deficits—$200 to $300 billion by the year 2000 and even higher deficits thereafter. In fact, the deficit spending increases approximately $320,000 every minute, which means just in the short period of time that I have been talking, it has increased about a million dollars.

Our current path leads to another $1.2 trillion added to our national debt. It is unacceptable. It will bring, by the year 2000, that debt to about $6.7 trillion. Our current path, if we were to do nothing, leaves a Medicare Program that goes broke, a Medicaid Program that doubles in size, with no tax base that can support that.

Our current path, if we do nothing, leads to an enormous, unsustainable tax burden on young workers, on our children today, who will be forced to face an 82-percent tax burden over the course of their lives. Unless we do something, and do something courageously and aggressively, our current path will lead to the first generation of Americans in our history who have fewer opportunities than their parents.

What will happen if we balance the budget? The Senator from Arizona pointed out a number of interesting facts. Again, we have to face the truth. We have to return to see what the facts actually are. A lot of scare tactics are being used today—especially in the field of health care, against our seniors—which are in essence, I think, cruel. In that same debate, we have to come back to the facts of what can be accomplished, what the realities are today.

Similarly, by just balancing the budget, what are the facts? Economists calculate, again—everyone that has come through—that interest rates will fall incrementally by 1 to 2 percent once we balance the budget. The higher interest rate people pay today because of the debt means that people pay more for car loans, for mortgages, for credit card balances, and for equipment for their small businesses.

Thus, if we can balance the budget—and we need to do it within 7 years, again, with no phony numbers, but accurate numbers—we can do the following: lower interest rates, which to the average family will mean that they can save as much as $1,200 each year on a $75,000, 30-year mortgage. It means on the purchase of a car, say $15,000, over the life of that loan a family will be able to keep $1,000 additionally in their pocket to invest, put in their small business or to put in education. For a typical credit card balance of $1,800—which is what it is in this country—an individual or family will save $36 per year by just balancing the budget. Over the next 6 to 8 weeks, the blueprint will be out there. A family can save as much as $1,100 over the life of a loan on a small business or for a typical piece of farm equipment.

For business, lower interest rates will mean that businesses—by that, I mean small businesses—one- and two-person operations, as well as large businesses—will be able to grow because an investment will cost less. Profit margins will exist or be higher. Short-term loans will be less expensive. Inventories will cost less to store. Expansion will increase and innovation will be less costly.

By simply putting a blueprint out there in law over the next 6 to 8 weeks to balance the budget, we will also, in addition to allowing interest rates to come down, allow businesses to grow, new jobs to be created. And as businesses invest and grow and our Nation's output begins to rise, opportunities for every American will expand. According to recent studies, as many as 6 million new jobs—new jobs—will be created.

According to a well-known economic forecasting firm, if we balance the budget by the year 2002, the gross national product will be $170 billion higher than if we do nothing and we do not balance the budget. That represents, overall, a 2.5-percent increase in productivity for businesses. That translates down to an average family's standard of living being increased by about $1,000 a year.

What does it take? Courage. It takes us acting as elected representatives in a responsible way. The outcome of the budget battle will clearly determine in what direction our country will move for the remainder of this century, the next 6 years, but also well into the next. It will take the courage of each of us, the President of the United States, every Member of Congress, and every American citizen, to make sure that the direction we choose is the right one.

We will either have the courage to make tough choices, to face facts, so we can march into the future secure in the knowledge that the promise of America will be as bright for our children as it was for our parents.

The alternative is to sink deeper and deeper into debt, until the despair that many Americans now register in the polls will be justified. The President talks a lot about common ground today, but really what this country needs is common sense—common sense and the courage to carry out the blueprint.

Thank you, Mr. President.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

THE MISSION BEFORE US

Mr. SANTORUM. Mr. President, I rise to join today with my freshman and sophomore colleagues to talk about the mission before us here in the next several weeks. We here in the Senate, and in the House, and the American public are now focused on the mission at hand, which is to try to balance

this budget over the next 7 years and come up with a plan for reforming a number of areas of Government.

It is, I think, one of the most important times in our country's history, certainly from a financial standpoint and a long-term economic security standpoint. I think this debate is as important as the debate that occurred during the Great Depression when we were trying to right the ship of state and preserve a long-term future during that crisis.

We are at a similar crisis, I believe, in our country's time, with the mountains of debt that we continue to pile up, and, really, no end is in sight. The fact is that we have over half of our Government on automatic pilot, spending money without any idea of how much it is going to go up. We have projections that Medicare is going to go up 10 percent a year, Medicare 8 percent a year, whatever the case may be. But we do not know what it is. We add up the bills at the end of the year and that is what we pay out.

Can you imagine a family or a business saying, well, half of the money we spend, we have absolutely no idea what it is going to be at the end of the year because we promised people we were going to pay these things, and whether we have enough money or not, it does not matter because we promised we were going to pay it. That is the insanity we are in that causes the deficits to be at this level—now almost $5 trillion in the national debt.

We have an opportunity to do something about that now. It is really the first time since I have been in the Congress—I was in the House 4 years prior to coming to the Senate. This is the first chance I have had to seriously address the issue which, when I first got elected to the House of Representatives, I promised I would come down here and do—to do things differently, to put our fiscal house in order, to establish America—as many speakers here talked about the moral authority of a Government that lived within its means and understands that we cannot continue to tax and penalize and put through very difficult times, because of the excesses of today. I think we have that moral obligation to act from that perspective.

We also have an obligation, I think, a moral obligation, to act from the perspective that we promised. We promised back in 1994—and many of us who ran for office promised many times throughout our careers—we promised to come to Washington and seek to balance the budget.

It is not an easy thing to do. I think if it was easy, it would have been done a long time ago. It is difficult. I think the American public understands it is difficult. But we promised. We have a Contract With America that says we will balance the budget.

I think almost every Member on this side, and I know many Members on the other side when they ran for election talked about how crucial it was for the long-term future of this country to get our fiscal house in order and to balance the budget. We promised.

You can put up all the arguments, charts, and graphs and say we should do this because it will help future generations, we are going to do this because it will lower interest rates or it will create more economic growth, or we will get rid of wasteful programs or create more freedom and opportunity, we will reform the welfare system, we will save Medicare.

Those are all very good reasons to balance the budget. All very good reasons why we should act on the reconciliation package that will be coming up in the next several weeks. I have listed only a few. There are innumerable reasons why we should balance this budget. Possibly paramount among all of those is the fact that we promised.

One thing I have heard from people, whether it is Democrats or Republicans, liberals or conservatives, the reason they are so disgruntled with government, whether it is at the State or national level, is there is a lack of trust that people who get elected actually follow through with what they promised when they run their campaigns. There is a dislink. There is the politician the candidate, and then the politician the elected official. What one says during the campaign does not jive with what one does when they are elected to office.

We elect leaders of this country who promise all sorts of things and come down and do exactly the opposite. Then you ask people, how can you support someone who does that? Well, they all do it. It does not make any difference. They all say what they need to say to get elected. But they all do it. Why is he or she any worse than the rest? We can forgive that, I guess.

I think those days are gone. I do not think the public will forgive that any more. I do not think they should forgive it in the first place, and I hope they do not. I think the least people should expect out of their elected representatives is they keep their promises. We made 10 promises in a Contract With America. I think probably paramount of all those promises was to balance the budget.

Promises are important. If people do not have faith in their elected officials and institutions, that erosion of faith in support of our Government has very long-term consequences to the future and safety and freedom of this country.

This is a big one. This is not a little white promise, a little white lie that we will tell. This is a big one. This is a major promise that we made to the American public.

I heard a preacher the other day tell the story about this subject—not the balanced budget—but about the importance of that trust. He talked of a man who headed up a college, I believe it was in South Carolina, a Bible college.

His father had started this school, and all throughout his life growing up his dream was to succeed his father and run this school where people would have their avocation to become preachers and ministers. This was very important for him. He felt it was a calling from God to do this.

He did. He succeeded his father in that position and ran that college very, very well. Unfortunately, his wife of many years contracted Alzheimer's disease. Alzheimer's is a devastating disease that eventually deteriorates the mind to the point where a person is no longer able to take care of themselves and needs full-time care. This happened to this woman at a very young age, unfortunately. She did deteriorate to the point where she was simply not able to take care of herself and needed full-time care.

This husband, the man who had been called to run this college, this passion of his, decided to resign as president of the college, to take the time and spend the time to take care of his wife, who was a victim of Alzheimer's.

His friends and people on the board of the college came up to him and said:

> Why are you doing this? She has Alzheimer's. She has no idea who you are. She has no idea who is taking care of her. Anyone can take care of her. Anyone can take care of her. You have a calling. You are serving the Lord. You are doing what you are good at. You may be the only one who can do this. How can you leave that to do something that anyone can do?

He said two things. First, he said: ''She may not know who I am, but I know who she is and I promised her when we got married to be there until death do us part. I promised.''

Promises mean something. Promises are important for relationships, for the future of this country, between its elected representatives and the people. We promised. Now it is time to deliver. I yield the floor.

Mr. DEWINE. Mr. President, I inquire of the Chair how much time is remaining on the time of the Senator from Wyoming?

The PRESIDING OFFICER. The time is 13 minutes 20 seconds.

RECONCILIATION

Mr. DEWINE. Mr. President, I want to congratulate my freshman colleagues who have been on the floor the last hour. I think they have brought to the floor today an understanding of what this national debate that is going on is all about and what the debate that we will be having for the next few weeks in this Chamber is all about.

It is appropriate that the freshman Members, myself included, are making this debate today as we have in the past, because we were the ones who came through the last election and listened to what the American people had to say, as, of course, all our colleagues did. In a sense, we were a little closer to that.

My colleagues who preceded me today have talked very eloquently. I think if I could summarize, I would say

that what they have talked about is to try to give us real understanding about what this debate that we are engaging in this Congress is all about.

The term ''reconciliation'' may be a term that is not familiar to the American people today, but I suspect in the next 3 or 4 weeks it may become more familiar.

We are going to be talking about a lot of specifics that are contained in the reconciliation bill. We will talk about some provisions of this bill that, frankly, I may not like. I suspect there are few Members on this floor, if they were very candid, who would not point out a provision or two or more of the reconciliation bill that we will be considering that they may not like.

But, instead of focusing on the minutiae, I think it is important for us to step back, as we tried to do during this last 50 minutes of debate, and keep our eye on the ball and talk about the big picture and what is at stake.

My colleague from Pennsylvania, Senator SANTORUM, who just concluded, I think, said it very, very well when he talked about promises that were made. What are those promises? What were those promises? How will this Congress be judged? I think we will ultimately be judged on four things, the four big promises that were made.

First, to balance the budget; to do something that this Congress has not done since I was a senior at Miami University in Ohio in 1969—a long time ago, a quarter of a century—that is to balance the Federal budget, and to set us on the path so that we will, within that reasonable period of time of 7 years, have a balanced budget and do something we have not done for a quarter of a century and to make sure the figures are real, the promises kept.

Second, to save Medicare. I use the term save because, as my colleague from Tennessee, who is currently presiding, has very eloquently pointed out, that is what this debate about Medicare is really all about: to save it, to preserve it, to strengthen it.

Third, is to reform welfare. We passed a welfare bill. The House has passed one. We understand if we are really going to change the direction of this country, we have to first start with a change in welfare.

And the fourth: commitment. The fourth thing I think this Congress will be judged on is our commitment to have a modest tax cut—it is a modest tax cut—for working men and women in this country. So, I think it is important for us to truly keep our eye on the ball.

Let me conclude by saying the comments of my colleague from Tennessee I thought were most appropriate as was the chart that was displayed here a few moments ago. What these promises, once they are kept, will really do is to improve dramatically the quality of life for the average man, woman, and child—particularly child—in this country. Because, as he so eloquently pointed out, interest rates and other things that silently affect our ability to purchase a home, for a young, newly married couple to purchase a home, have their interests rates down, to have a newer car, a safer car, all of these will be affected by what we do with the Federal deficit. The quality of life of people who are struggling to get out of poverty will be affected by what we have done and will do in regard to true welfare reform.

I think sometimes we forget the big picture. Sometimes we spend a lot of time on this floor talking about individual bills, which we should, and what impact some small bill, relatively small bill, is going to have on individuals. Sometimes we forget what we do in regard to the big picture, what we do in regard to welfare reform, what we do in regard to a meaningful tax cut for working men and women, what we do in regard to balancing the budget, what we do in regard to saving Medicare. This big picture will affect, ultimately, the quality of life of our children much more than what we do on any individual program.

I again congratulate my colleagues, congratulate my friend and colleague from Tennessee, whose statistics and chart I think pointed that out very, very well. So, as we head into this debate and as we talk about the minutiae of reconciliation—I see my friend from New Mexico, the chairman of the Budget Committee, who is, obviously, going to be involved very much in that debate—I think it is important to keep our eye on the ball, keep our eye on the commitments, what we told the American people we were going to do, why we were coming to Washington. And, as we cast these tough and, frankly, very unpleasant votes we are going to have to cast in the weeks ahead, it is important for us to do that, to keep our eye on the ball and remember the big picture.

Remember, it is the big actions that we take in the four areas I have talked about that are going to impact the quality of life of our children and our grandchildren much more than any one particular bill, any one particular amendment, any one particular vote.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, parliamentary inquiry. Is there any order that we have agreed upon? I do not want to impose if there is.

The PRESIDING OFFICER. Senators can have up to 5 minutes. The Senator from Illinois has 45 minutes reserved, which he has not yet used.

Mr. DOMENICI. I wonder if we could complete our argument in about 6 or 7 minutes and then the Senator could have his time?

Mr. SIMON. I yield to my colleague from New Mexico, as I almost always do.

THE PRESIDENT'S BUDGET

Mr. DOMENICI. Mr. President, I am very, very proud of the Republican Senators who have taken to the floor today to talk about the most significant issue for the American people, all of the American people. I know some ask, on whose side are we? We are on everybody's side. Because if you do not get a balanced budget, sooner rather than later, you are probably never going to get one. And if you do not get one soon, you are literally giving away a legacy to the next generation and the next generation that could have been prosperity, economic gain, a better chance to take care of yourselves—you are giving that away by imposing a silent tax on all the young people, all the children yet unborn, where they will have to pay our debt.

You cannot escape it. Some say, what is this debt? This debt means that millions of people, banks, insurance companies, foreign countries, lent us money. We gave them a nice little promissory note, and we said: ''Thank you for lending us the money. We will pay you back.''

So we owe it—in fact, we owe part of it to the Social Security trust fund. Frankly, sooner or later, the bell will toll. And this is our last best chance to get a real balanced budget. When they ask who are they who are for it, a vision comes to my mind of a big American shopping center with people in the center from all walks of life. If you are in a shopping center in New Mexico, you will see a cowboy with cowboy boots, and you will see a dressed up, almost aristocratic person, and then you will see all ages, some with new T-shirts with their latest words on it of support for the Bulls or the Cavaliers or even the march.

All of those people—not one piece of them, all of them—anxiously expect that the U.S. Government will not let them and their children down as we promise them a decent life and, if they will work hard, a decent return and if we will do our job, that they expect a little better life with each passing decade.

Almost all of that is tied up in whether we get a balanced budget, Mr. President. And I thank you very much, I say to the Senator from Tennessee, for your comments of just how important to every day events a balanced budget is.

I wish to talk today about the President's budget, and I do not know if Members on the other side are up here in the Chamber defending the President's budget. I think we voted on his first budget, did we not, in the budget debate? And I do not think one Senator voted for it. We all forget that. Not one. I think every single Member including everyone on that side voted no.

Now the issue comes, since the President gave us a new budget about 3 months ago, how many on that side of the aisle would vote for it. I am going to try in about the next 5 or 6 minutes to convince the American people that

none of them would, and that a great big hoax is being perpetrated on the American people by the President.

So let me start by saying to all of you if you do not have to cut anything because you have jimmied up the numbers, you can run across America beating up on the Republican budget. You can say I did not do that. I do not have to do that. You can say I wish to go slower. I do not want to change the programs that fast.

Let me remind you. The only way you can do that and have a balanced budget is to phony up the numbers.

Let me give you a little history. In the Reagan era, there became a rather famous asterisk which I think my friend, Senator SIMON, recalls, the Stockman asterisk. My memory is not precise; it was either $24 billion or $34 billion. It was sort of we don't know how we are going to get that last amount, but let's just put an asterisk there and say we will get it.

Now, friends, the President of the United States has a $475 billion asterisk. And it says I changed what the Congressional Budget Office says, the authenticator of the budget. In whose name and under whose power did the Congressional Budget Office become the authenticator of the budget? None other than the President of the United States.

Two years ago, in a State of the Union Message, he said the CBO was normally more conservative in what is really going to happen and closer to right. Why is it, I say to my good friend, Senator SIMON, who is advocating a balanced budget, who came down here talking about a constitutional amendment, why is it that the President of the United States decided 1 year after he admonished us to abandon the Congressional Budget Office and do what? Use his own numbers. You know he has experts. The Congressional Budget Office is the expert for everybody. He has an OMB. He has economic advisers, I say to my friend from Tennessee, and what he decided to do was to let them make the predictions for the future—make the predictions for the future.

The best I can tell you, fellow Senators and Americans, it is tough to explain, but I looked around for an explanation of what the President has done, and the best I could find is the former Congressional Budget Office Director. If he is not a Democrat, he is an independent but, indeed, he is independent and here is what he said about how this administration got to the balanced budget that they run across America now and say we are not like those bad Republicans because we do not have to do all those things.

Listen to a quote from the former Director, a very simple quote:

> The administration conveniently lowered the bar and jumped over it.

> The administration conveniently lowered the bar and jumped over it.

That means if the world record was 6 foot 6 on the high jump, and the Republicans had jumped it, the President comes along and what does he do? He lowers the bar and then jumps it. So he puts it down to 6 feet and he jumps it, and he said, lo and behold, I set the same record you did.

If the bar is the balanced budget and the President decides with his own experts to lower the bar and jump it, what does that tell us? Mr. President and fellow Senators and Americans, it tells us that the Congressional Budget Office is warning us that if you use the President's bar, the lowered bar, you will never get to balance.

I do not want to take a lot of time talking about the manipulation, the smoke and mirrors. In fact, it is so much smoke and mirrors I was trying to find a new word or new words to describe it, but I cannot. Somebody suggested the fog machine instead of smoke and mirrors. But let me just give you an example of what has happened.

I say to Senator SIMON, had your balanced budget constitutional amendment passed and the Senate had come together and said it is law now, let us have a balanced budget in 7 years, and we said let us listen to the Congressional Budget Office on how we should do it, and we did it, along comes the President and he says, ''Whoa there. You do not have to do all that.'' In fact, he said in his second budget you can get there by doing $475 billion less. Got it. He lowered the bar $475 billion.

Let me tell you just precisely how he did that. I do not know if in his negotiations he lowered the bar a little bit at a time or just waited around until his own estimators lowered it all the way, but here is what he did.

First, Medicare spending will come down over 7 years by $55 billion. Got it. Fifth-five billion dollars less in Medicare savings, I say to the occupant of the chair. But he did not change anything about the program. He did not say this or that or the other. He just said it is going to cost less.

I ask for 3 additional minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOMENICI. He merely said we have decided that Medicare will cost $55 billion less. Put it down. Take the bar down $55 billion. He did not change anything, did not reform anything, did not make it more solvent excepting that they came up with new numbers on what it would cost and disagreed with the Congressional Budget Office, which we were told to follow, which we think is closer to right over the last 14 years, especially long-term figures, much more accurate than Democrat or Republican executive branch estimates.

Medicare, the bar has been taken down by $55 billion. Now he comes along and says, do not worry so much about Medicaid because it, too, is going to come down, I say to the Senator from Illinois, on its own. You do not have to change anything. It is going to come down $68 billion. So he brought the bar down $68 billion.

He has not done anything yet, has not changed the program, has not reformed an entitlement, has not cut a single program of any type but now that is $68 billion. And then he looked out at the farm subsidy program, other pensions and the welfare programs and he said oh, even if we do not change anything, they are going to come down $85 billion.

Now the bar has come down $55 billion in Medicare without changing anything, $68 billion in Medicaid by wishing and hoping that it will not cost so much, $85 billion from farm pensions and others, and we are not there yet. Hold on—$70 billion from lower interest rates. And then, believe it or not, $175 billion because he assumes better economic assumptions, rosy economic assumptions. They will say they are small. The differences with the Congress are small. That one is $175 billion without changing anything.

When you add them up, $475 billion that we had to work at, to change programs, to say entitlements are coming down instead of going up, the President of the United States found them like a bird's nest on the ground by putting his team together and saying it really is not going to cost all that much to run our Government. So why do we not just change the numbers?

Now, let me suggest to everyone who takes the floor and says to the Republicans, ''You should not be doing this, you should not be doing that,'' I ask them, are you following the President's blueprint in suggesting that we do not have to do that? If you are, you will be startled, and so will the American people, because if we did it your way, there would be no balanced budget come time that we commit it.

I ask unanimous consent for 1 additional minute. I will wrap it up now.

Mr. SIMON. I will be generous with my colleague.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. I thank the Senator.

Let me say this is part of the reason that the U.S. Congressional Budget Office has said the President's budget never comes into balance.

But I think it is more serious than that. It is the real reason that the President can stop over here and there picking the issues and say, ''The Republicans are cutting too much. We ought not have to do that. We can take a longer time to get it,'' when, as a matter of fact, if we did it his way, we would be inventing 475 billion dollars' worth of reductions that the experts say are probably not going to happen and running around and saying, ''It doesn't matter which budget, they are both in balance.'' I submit that is not the case.

I yield the floor.

The PRESIDING OFFICER. Under the previous order, the remaining time is under the control of the Senator from Illinois and the Senator from Iowa.

Mr. SIMON. I ask unanimous consent, Mr. President, since we originally agreed to 45 minutes, that the time be extended to 12:45.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

STUDENT DIRECT LENDING

Mr. SIMON. Mr. President, Senator HARKIN and I are going to talk a little bit about direct lending and what is happening in the area of student aid. Here is an area where we can save real money. It is very interesting what happened when direct lending was under consideration. Sallie Mae, the student loan marketing association which we created—the chief executive officer of Sallie Mae, I say to the Presiding Officer and about to be Presiding Officer—they said that direct lending would cost the average school $219,000. Here is what they said in their letter of March 31, 1993.

> As a result of our indepth visit with 10 schools, it is abundantly clear that direct lending will mean increased costs, additional personnel, and upfront investment.

This is Sallie Mae. They had big ads about what a great job they are doing. And they have done some good.

(Mr. ASHCROFT assumed the chair.)

Mr. SIMON. What is the experience now that we have had direct lending? The experience, Mr. President, is that it cuts redtape, it eliminates layers of bureaucracy—how many speeches have we made about that on the floor—uses competition and market forces, and is simple and consumer friendly, promotes accountability, is flexible, and provides education opportunity.

My colleague from Iowa went to Iowa State University. Instead of having the experience that Sallie Mae talked about, Iowa State University has been able to shift four people from student loans over to other fields, and they have canceled eight computers, at a savings of $200 each month. Less bureaucracy; direct lending.

Here is a student newspaper. ''Direct Loan Ends Long Lines,'' from the Daily Egyptian of Southern Illinois University. The Milwaukee Journal, ''Direct Student Loans Pay Off.'' The Chicago Sun Times, ''Direct Loan Program Is Good Deal for All.'' The St. Louis Post-Dispatch—Mr. President, I know the Presiding Officer is familiar with that newspaper—''Loans Should Help Students, Not Bankers.'' The St. Louis Post-Dispatch is right.

''Student Loans: The Wrong Cuts, With This Vital Program Republicans Appear to Prefer a Wasteful Monopoly to Effective Competition.'' That is the Washington Monthly.

The University of Florida. Here is their experience in the first week of classes under the old program. They had $3.7 million in for students. Their first year under direct student lending, the first week they had $9.1 million. But this current year, $21 million in the first week. And it is similar in the other statistics here.

The University of Colorado in Boulder, under the old program, 3,068 loans disbursed; under the new program, the first year 4,800, the second year 6,500.

Here is a USA Today editorial: ''Banks Cash In, Taxpayers Lose on Loan Program.'' And then it says in a subheading in this editorial in USA Today, ''Congress in a sweet deal for the banks is on the verge of killing direct student loans.''

We hear a lot about unfunded mandates around here. If we go ahead with the bill that came out of our committee, Mr. President, what we are saying to the banks and the guarantee agencies is, ''You have an 80 percent monopoly, 20 percent will be limited for direct lending.''

In my State of Illinois, because they have seen what a good program it is, over half the loans right now are direct loans. It is interesting that not a single college or university that has gone to direct lending is moving away from it; not a single one anywhere in the 50 States, including Missouri and Illinois.

Unfunded mandates? What we are doing is we are imposing costs on universities if we do not take that 20-percent cap off and permit choice—that is all I ask. I am not going along with the administration that says it ought to be 100 percent direct lending. I recognize that would save money. But let us give colleges and universities the choice. Let competition prevail.

What did we do in order to somehow make the old program, the guaranteed loan program, appear to be a money saver? Well, in the words of the Chicago Tribune editorial, ''Cooking the books on student loans,'' that is what we did. We passed in the budget resolution a provision that said on the old guaranteed student loans, ''You will not count administrative costs, while you will on the direct loans.''

We asked CBO—and my colleague who is presiding, and I see my colleague from Michigan here—we asked CBO, ''If you don't take this rigging that took place in the budget resolution, if you just put under the old law what we would save or what it would cost''—under the old Congressional Budget Act the cost of going to this 20-percent limitation would be $4.64 billion instead of a phony savings—I heard Senator DOMENICI talking about phonying up numbers. That is what we did in a major way in order to protect the banks and the guarantee agencies. I think we have to do what is right.

Our former colleague—and, Mr. President, you did not serve with him nor did the Senator from Michigan—but Senator David Durenberger said, ''This is not the free market. It is a free lunch.'' He is talking about the old guaranteed student loan program.

Take a look at the numbers of Government personnel involved in the old program: 2,500 or more in the guarantee system, only about 500 under full direct lending. And this does not count college and university personnel. Every college and university says that a direct loan program reduces paperwork, reduces personnel demands. Just take a look at the personnel under the Federal Government and the guarantee agencies paid for by the Federal Government under the direct loan program and under the guaranteed loan program and add on top of this, Mr. President, the colleges and universities.

Now, why, if this is so obviously good, why are we having opposition? Why do we have this 20-percent limitation? The banks, my friends—and I am all for healthy banks; I have a house mortgage on my home in southern Illinois—the banks make more money on student loans than they do on house mortgages, on car loans, on any other enterprise other than on their credit cards. And they are interested.

And the guarantee agencies are interested. Take a look at what happens—forget all the other things—what happens on the collection of defaulted loans. Under the old program—Mr. President, I direct this to you because I know you are a fiscal conservative. Under the old program we want to guarantee 80 percent to the old programs. We say to these financial institutions, ''You get 27 percent on defaulted loans for collection.''

Take a look at what happens under the direct program. Instead of just giving people a monopoly, we put it out for competitive bidding. Do you know what it is turning out to be? Fourteen percent. You want to save money? Here are millions and millions of dollars that you can save.

Why are the guarantee agencies, which do not have—these are not stockholders. This is not private enterprise versus Government. It is Government versus Government. But the guarantee agency in Indiana, called USA Group—their CEO incidentally, Roy Nicholson's 1993 salary was $619,949, not too bad for an agency that does not have any private funds in it. We pay the President of the United States $200,000 a year. They are spending $750,000 to lobby against direct lending. This is just one group.

Let me tell you, this Guaranteed Student Loan Program was fine for its time, and I would say in fairness to these groups, they helped students when we were trying to find our way, but we certainly ought to do it the right way. I ask unanimous consent, Mr. President, to print in the RECORD a letter from the president, Dallas Martin, of the National Association of Student Financial Aid Administrators.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OCTOBER 16, 1995.

Hon. PAUL SIMON,
U.S. Senate, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR SIMON: On behalf of the National Association of Student Financial Aid Administrators (NASFAA) representing professional student aid administrators at over 3,100 postsecondary institutions across the nation, I am writing to strongly urge you to include in any floor amendment to the Reconciliation bill four provisions to benefit

students and postsecondary institutions. We believe any amendment must include retention of the grace period for student loan borrowers; elimination of the .85 percent tax on annual school loan volume; allowing schools the choice to join in the Direct Loan Program without elimination of current participating institutions; and, retention of the current interest rate calculation and caps in the PLUS loan program. Each of these provisions is so critical for students and postsecondary institutions that NASFAA would seriously consider not supporting any amendment package that does not include each of these four provisions.

Retention of the grace period is important to ensure students do not have even greater loan debt as they begin their chosen careers. Depending on how much a student borrowed, elimination of the grace period would add up to $2,500 to their loan debt possibly leading students to alter career plans, default in greater numbers, or defer major life and consumer decisions for the future.

Every student in the country and every postsecondary institution would be affected by the .85 percent tax on a school's annual loan volume. If this fee is approved, postsecondary institutions would either cut their budgets in various areas leading to decreased academic or student services, or schools will pass this cost onto their enrolled students in the form of increased tuition or fees. This would be an unfortunate escalation of student costs imposed by Congress at a time when American families are already having difficulties financing postsecondary education.

NASFAA believes Congress should follow through on its earlier commitment to operate a Federal Direct Loan Program, along with the Federal Family Education Loan Program for a minimum five-year period. In 1993, when the William D. Ford Federal Direct Loan Program was authorized, institutions were assured this new program would operate for a minimum five-year period in order to determine whether such an approach might prove more cost-effective and efficient than the existing Federal Family Education Loan Program. For the first time in many years there is healthy competition occurring between the two Federal loan programs.

The quality of service being offered by both programs, however, is much better than it was with a single program, and students and institutions are being better served. Therefore, NASFAA supports inclusion in any amendment to the Reconciliation bill ''plus demand'' language to ensure postsecondary institutions have the freedom to choose the Direct Loan Program if that best serves the needs of its students. Under the committee-reported bill reducing loan volume to twenty percent, half of the current Direct Lending Program participants would be arbitrarily removed from that program. Further, the committee-reported bill would eliminate scores of schools from participating in the current award year since the legislation mandates a drop of Direct Loan Program volume to thirty percent in academic year 1995–96. This would not be a ''minor inconvenience'' to these postsecondary institutions that have invested heavily in changing operating procedures, hardware and software systems, and explanatory materials to students.

The cost of a PLUS loan could increase by as much as $5,000 unless this provision is stricken from the bill. This large increase could potentially lead to greater defaults in this program when combined with an increase in the PLUS loan cap or discourage parents from assuming their responsibility to pay for their children's postsecondary education expenses.

NASFAA is thankful for your leadership efforts to develop an amendment reducing the impact of cuts mandated by the Reconciliation bill. While we appreciate your efforts, again, NASFAA must strongly urge you to include in any amendment all of the above four elements benefiting students, families, and schools.

Sincerely,

DALLAS MARTIN,
President.

Mr. SIMON. Mr. President, they say what I think makes sense: Give people the choice. We are going to have an amendment to do precisely that.

Then, finally, Mr. President, the inspector general of the Department of Education testified that with these guarantee agencies who are handling Federal funds, we have $11 billion at risk. Indiana University, ''What we have learned'': Ninety percent less paperwork, this is under direct lending; 25 percent fewer errors, easier adjustments, faster disbursement.

Director of financial aid, University of Idaho:

On registration day, we had 46 percent more funds available for students who did not have to wait for the whole process. Every school that has gone with the direct loan program sees it as a simpler program for students. It saves taxpayers money and provides the students with more options.

Kay Jacks, director of financial aid, Colorado State University:

I can hardly talk about eliminating the direct lending program without crying. Students are happy, universities are happy. Why they want to cut it, I just don't get it.

Every college and university, I repeat, that has the direct lending program wants it to continue. Not a single one wants to back off.

It ought to be clear, Mr. President, that we ought to give colleges and universities choice, and when reconciliation comes up on the floor, there will be an amendment, I hope a bipartisan amendment, which will save money for taxpayers, save paperwork, give colleges and universities the choice. That is what it ought to be about.

One other not so minor point, Mr. President, under the old program, many, many students could not qualify. Under the changes we made when we first adopted this program, any student can qualify, including middle-income students. I hope we do the sensible thing.

I am pleased to yield the remainder of this time to my colleague from Iowa.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I thank Senator SIMON for his statement. I want to also thank him for being a great leader on direct lending all these years and especially the statement just made this morning.

I might differ one little bit from my friend and colleague from Illinois. I happened to have gone to college in the late fifties, and I remember a program came in under the Eisenhower administration. I did not have it my first couple years of college, but I had it in my last years of college, the National Defense Student Loan Program, a direct lending program. You went to the window and got your money.

I always thought it was a great program for a lot of reasons: You got your money right there. There was not a lot of hassle. It was right there at the school. And then when you got out of college, well, if you went in the military, you did not have to pay anything. No interest accrued on the loan during the time you were in college.

If you went in the military, no interest accrued during that time or if you went on to school after that. I am quite frank to admit that after college, I spent 5 years in the military and then 3 years in law school. I had a year's grace period after that. So no interest accrued for almost 9 years from the time I graduated from college.

For someone like me whose parents had no income at all—my father was on Social Security when I started college, very modest Social Security, we had no assets whatsoever—it was a godsend. So I always thought it was a great program.

Then we went to the guaranteed student loan program. Maybe it did work all right for a period of time. But, the banks, frankly, made a lot of money on that. Fine, good, that's their business. But why should we continue doing business as usual when we have a better way of doing it, and the better way of doing it is the direct lending program.

The Senator from Illinois started his comments by saying about how the long lines have dwindled. I always say one picture is worth a thousand words. This is at the University of Northern Iowa, one of our regent schools in Iowa. This is a picture last year before we had direct lending. This is the line for students to get their guaranteed student loans and get it processed. These are all the students that are having problems with their loans.

I was told the picture does not do it justice, because if you look back to the doorway, the line goes on down the hall. But you get the idea. There is a line of students waiting to get their guaranteed student loans. That was last year. They have now instituted direct lending.

Here is the same picture, same place, same financial aid office. No lines at all. No one waiting in line, and that has been the story at all of the schools in Iowa that have used direct lending. We have 38 Iowa schools right now. What I have heard from all of them is just positive comments about how the direct lending program is working. No lines, no hassle, students get their loans, and they are able to get about their business of studying.

Earlier the Senator from New Mexico was on the floor talking about the budget. We do have to bring our deficit down. No one is arguing about that. The Senator from Illinois has been a leader in the effort to reach a balanced budget and to get us moving toward a

balanced budget. That is not the debate here. The debate is how we get there, out of whose hide do we take it? Who pays the most? Who sacrifices the most? That is the debate. I am sorry I have to disagree with my friend from New Mexico. He makes it seem as though the debate is whether or not we are going to have a balanced budget. That is not the debate. We all agree on the need to bring down the deficit. The debate is how, who pays, and what is the end result if one group pays more than the other.

I daresay that if we are going to take it out of the hides of our students, if we are going to make it tougher on middle-income and below-middle-income students to get a college education, then I daresay that our deficit will not come down, it will probably grow in the future. To get out of the debt we are in, we are going to need the best work force possible, the most motivated, and you are not going to get out of our debt situation, you are not going to lower our national debt by increasing the debt of students in college.

The Senator from Illinois—and, again, I commend him—has been a leader in this effort. I might also add, Mr. President, that Iowa State University, my alma mater, was one of the first 104 schools to participate in direct lending. Last spring, Earl Dowling, the financial aid director, testified at an oversight hearing on direct lending. He told the committee that ISU is running a larger loan program with fewer staff. That is not a bad deal. He has been involved in the administration and management of student financial aid programs for 23 years and said, ''Direct lending is the first new program in those 23 years that was such a definite improvement over its predecessor.''

The financial aid director for the University of Northern Iowa, Roland Carrillo, said that direct lending has been a ''resounding success.'' He said, ''* * * there is no question that direct lending is the most efficient method of delivering financial aid dollars to students.''

As the Senator from Illinois pointed out, in the collection of those loans later on, we pay less money under the direct loan program by putting out for competitive bids than we did under the old program. So, again, Mr. President, the direct lending program has worked. It is working well. The last thing we need to do is throw that overboard, in some kind of mistaken idea that somehow this is going to help reduce the deficit. Absolutely not. It is going to do just the opposite. I want to take most of my time, Mr. President, to talk about taxes and about the taxes that are being levied by the GOP's proposal that will be before us here in the so-called budget resolution. There is going to be a lot of talk about cutting taxes. I understand there is a big tax break in that bill. But what is not going to be talked about, and what I want to talk about, are the hidden taxes that are included in that reconciliation bill that will be before us.

As I said—and I will keep repeating the argument—the debate is not about reducing the deficit. It is, who pays and how much do they pay, and does it reach a good result in the end? It will be middle-class working families already pinched that will be asked to pay these new hidden taxes, stealth taxes. Most Americans will get less, but pay more, so that a few people on the top can get a tax break.

People ask me, Mr. President, to describe what is going on in Washington these days and I say it is not easy to explain it. When ideology gets ahead of common sense, when I see the agenda of these extremists, I have to say they have turned the Nike add slogan on its head. You know, the ad that says, ''just do it.'' I think the new motto for the GOP ought to be, ''just undo it.'' Do not analyze, do not question, do not even have hearings, just undo it. Undo laws that give our seniors quality health care. Undo laws to protect workers on the job, and undo our Nation's commitment to quality education.

The GOP says provide more tax breaks for the wealthiest. Pump billions more into the Pentagon—$7 billion more than they asked for. Put education on the chopping block. To that, I say: We have been there, we have done that. We tried that in the 1980's, and it dug us into the biggest debt hole our Nation has ever been in. Let us use some common sense and cut down the spending for the Pentagon. Let us cut the waste, fraud, and abuse. Let us cut the tax breaks.

We do not need tax breaks now. I figured it out. It would be maybe a dollar a day, at the most, to people in the upper income brackets. I do not know what they are going to do with that—maybe buy another Big Mac and a Coke. You cannot even get that for a buck anymore. Maybe you can get a giant Coke. In downtown Washington, maybe you can get a cup of coffee. Maybe it will buy an extra cup of coffee a day. That means if we are going to have those tax breaks, we are going to have these hidden taxes on student loans.

The budget proposal cuts about $11 billion from student loans. This will result in increased student debt, a new direct tax on schools, elimination of the successful direct lending program, about which Senator SIMON spoke. The GOP plan adds an extra $700 to $2,500 of debt per student. How? By eliminating the interest subsidy during the 6-month grace period. People say, well, that is not a big deal, 6 months. Well, it is a big deal. When you are out of school and trying to find a job and jobs are hard to find, and maybe you want to get married and start raising a family, you bet it is a big deal. Well, you say maybe it is a little bit of a hit.

This is the seventh time, Mr. President, since 1981, we have increased the cost of student loan programs. It is always just a little bit, a little bit, and a little bit, until finally the straw breaks the camel's back. That is what is happening here. Not only is it more than just a little bit, what is worse about it is that the lower income the student, the higher their debt load. Why? Well, the poorer student borrows the most money, so they have the most debt. They get out of school and have to start paying interest during the grace period, and they have to start paying more money right away than higher income students. What kind of sense does that make? Well, also, the GOP plan adds up to $5,000 in additional costs for families who use the PLUS loan by raising interest rates, and a new Federal tax of 0.85 percent on colleges and universities participating. Well, they say that is not much. But it is a lot when you look at a college in my State of Iowa. Where are these colleges going to get it? They have to pass it on to students. The plan will also force at least half of the schools participating in the direct student loan program out by rolling back the successful program.

So we are going to hear a lot about tax breaks. How about the taxes that are in the GOP plan? Taxes on students, taxes on their families, taxes on the schools. All of it added together—you can say, this is a little bit here and here. But you add it all up, and it is a direct assault on higher education, a direct assault on middle and lower-income students having the ability to go to college, and to get ahead and to work and be productive members of society and help us reduce the deficit in our country.

Mr. President, I heard a comment a week or so ago in the committee about how students are going to have to sacrifice, too, because we have this big debt and we have to reduce the debt. As I said, we all want to reduce the debt. I think we ought to think about this and look at history a little bit. I know the occupant of the Chair heard me say this because he was in the committee when I said it. I will say it again because it needs repeating and repeating and repeating. Right now, our debt to gross national product is somewhere in the neighborhood of 70 to 75 percent. That is bad. I am not saying that is good. That is bad. It ought to be reduced. As our gross national product goes up, we have to start reducing that debt so that gap widens. Well, we had another period of time when our debt to gross national product was bad. That was after World War II. Our debt was actually greater than our gross national product.

Now, did President Truman and the Congress stick their heads in the sand and say, oh, my gosh, our debt is more than our gross national product, so we cannot afford student loans, to send kids to college? No. What they recognized was that the best way out of the debt situation was to send kids to school. So President Truman and the Congress passed the GI bill.

Now, I just might point out, in 1945 our debt was 122 percent of our gross national product. This year it is estimated to be 69.9 percent. I was close, 70 percent.

What happened, in 1945, our debt was 122 percent of gross national product. They passed the GI bill. Mr. President, this was not even a loan. They gave the money to them. They built housing all over America, sent the kids to school, and did not ask them to pay back a cent.

Did they pay us back? You bet they did.

Mr. SIMON. Would my colleague yield?

Mr. HARKIN. I am happy to yield to the Senator.

Mr. SIMON. I think the point is extremely important. The GI bill was a grant. If you were to take the average grant and put the inflation factor on it, today it would be a grant of $9,400—an incredible amount. There is not a school in Iowa or Illinois or any other State where students get that kind of a grant.

Let me point out one other little bit of history that I did not know. The immediate past national commander of the American Legion stopped in my office last week and he said in the old GI bill which we all—everyone looks back to and said what a great thing it was—the American Legion and the other veterans groups were in a fight. The other veterans groups wanted a cash bonus instead of the GI bill for education. The American Legion prevailed.

Ironically, we are going through the same fight today. Is it a cash bonus of tax reduction, or do we put the money into education?

We ought to learn from history. The lesson from history is that the Nation benefits when instead of a cash bonus we put the money invested in education.

I thank my colleague for yielding.

Mr. HARKIN. I thank the Senator from Illinois for pointing that out. That is a good lesson in history. I was unaware of that.

What the Senator said, if you took the GI bill, what they gave as a grant to those students to go to college, in today's dollars, it would be $9,400—a grant to go to college. I do not know of any grant program around that is anywhere near that. Pell grants are down to about $2,000, if I am not mistaken.

Mr. SIMON. Pell grants are about $2,400, and you have to be below a certain income level. Most students do not qualify.

The GI bill was available to everyone no matter what your income was. Of course, you had to be a veteran.

Mr. HARKIN. There were no income guidelines. They just gave the money to students to go to college.

I point out because it is interesting another little tidbit of history. These students went to college, got out. They made higher incomes—probably the greatest period of productivity, inventiveness, innovations, in our Nation's history and the world's history.

The debt in 1945 was 122 percent of our gross national product. By 1981, it had gone down to 33 percent—the lowest point that we had ever had. I think that is because we were riding on the shoulders of those GI's who went to school and got an education and produced this miracle of innovation and inventiveness in America.

I think if you look at what has happened since 1981, we have retreated and gone the other way in education. We are making it tougher. As I said, Mr. President, seven times since 1981 we have taken a hit on students, and made them pay more, make it more costly to go to college.

What is happening? Our national debt keeps getting bigger and bigger and bigger. I am not saying that is the only cause. There are a lot of other causes.

I will say this: Unless and until we invest upfront in education and in higher education and in making sure students can go to college and not be burdened with heavy debts themselves, unless and until we do that, we will never get out of our deficit situation.

I do not care what we do around here. You can cut programs, you can cut all the things the Government does, but if our productivity does not stay high, if we do not have the kind of high paying jobs that are going to take us into the next century, forget it. We will not work ourselves out of this debt.

Mr. President, I went to college under a direct loan program, as I said. I went up to the window, got a direct loan. I did not have to pay it back for about 9 years. I had the GI bill when I went to law school. I still had the GI bill available to go to law school. I did not have to pay it back. They just gave me money to go to school.

Well, I think it is time we learned from that. All I can say is I understand that the Speaker of the House also went to school under that kind of a program. All I can say, if it was good enough for the Speaker of the House, it ought to be good enough for students today. It was good enough for me, it ought to be good enough for students today, too.

Here is what is happening in Iowa with the student debt. Right now, this is a percentage of financial aid dollars awarded as loans out of the total financial aid grants and everything, percent as loans. Here at the University of Northern Iowa, at the top, it has gone from slightly over 40 percent to almost 60 percent. This is a regent school, not a private college. Here is Iowa State, which went from about 34 percent to 48 percent, my alma mater. That is from 1991 to 1995, not a long period of time, 3 to 4 years.

Here is the University of Iowa, which went from about 28 percent to about 38 percent—again in the last 4 years. So what has happened is that students are taking on bigger and bigger debt loads, all the time making it tougher for them to pay it back.

Now, it has another impact. Right now, indebtedness for a student graduating from the University of Iowa last spring is about $11,278; from Iowa State, $14,900; the University of Northern Iowa, $14,681. On average they pay about $170 per month for student loans.

You say that does not sound like much. Sure it does. You know what a starting salary for a secondary schoolteacher in Iowa is? About $18,000 a year. That $170 a month they are paying they could be using to buy a home, maybe even to buy a new car, to maybe get their lives going and start building our economy. But no, they be will saddled with more and more debt to pay for their education.

Grant aid has declined at our three universities in Iowa. It was 30 percent in 1990, and now is down to 25 percent.

Instead of creating more debt per student, why not go after the deadbeats who owe about $50 billion to the U.S. taxpayers in nontax debt? There is a lot of debt out there that people owe the Federal Government. I am not just talking students but a lot of people. We ought to go after those rather than hitting the students.

Finally, I just wanted to bring this to an end and close my remarks by showing what it means for an individual. The average loan on a per-student basis at the University of Northern Iowa, our smallest regent school in the State of Iowa, the average loan indebtedness, in 1992 was $2,589. Now it is $4,395 per student basis.

When they graduate, the indebtedness will be $14,641. But this is the average debt per student, per year at the University of Northern Iowa; not quite doubled, but pretty darned close to doubling in just the last 4 years.

So, yes, the debt of the United States is bad. We have to reduce our deficit and our total debt. We do want to reach a balanced budget. But the way the GOP is going about it with their reconciliation bill, especially how they are hitting students, is going to cause more debt in our country, less productivity, less ability for us to raise our gross national product and get out of this debt. It is almost as if the proponents of our reconciliation bill with all of the cuts they have, taking away the direct loans for students—it is almost like, ''We are in debt, so let's go to debtors prison.''

That is not the answer. The answer is to provide our people in this country with the wherewithal to earn more, make more, climb that ladder of opportunity and success, pay more when they earn more so more revenue comes into the Government, so we are able to make better products and sell better products and compete around the world. That is the way. That is the way out of the mess we are in. This GOP proposal, I must say in all frankness, is a ''stick your head in the sand'' approach to the deficit problems we have in America.

The Senator from Illinois has it exactly right. By keeping our commitment to direct student loans, we are

saving a bundle of money. We are making it easier for students to go to college. Beyond that, we have to do whatever we can, I believe, to point out the hidden taxes in the GOP proposal: The taxes on students, the taxes on their parents, and the taxes on the schools. This is a direct hit at education in this country. All for what reason? To reduce the deficit? No. To pay for a big tax break that might amount to about a dollar a day, about a dollar a day for people in upper-income brackets. What a foolish waste of money.

If we want to use our money wisely, put it into education. I thank the Senator from Illinois for yielding me this time.

Mr. SIMON. Mr. President, in the 2 minutes that are remaining, let me just thank my colleague and underscore what he is saying. We face, really, the same choice we faced right after World War II. The Presiding Officer was not here when it was mentioned. The GI bill, which we look to now with so much pride, was a matter of great controversy. The American Legion wanted the GI bill. The other veterans groups wanted a cash bonus. And now we face the same question: A cash bonus in a tax reduction or investing money in education?

I am pleased the Senator from Iowa, along with the Senator from Washington, are among those who voted for a balanced budget constitutional amendment. Our experience with legislative efforts is they last about 2 years and then there is too much political drag.

The particular difficulty of this approach right now, with the tax cut, is without a constitutional amendment, basically the budget amendment that we adopted—and in the Budget Committee, I voted along with the Senator from Washington for that goal of balancing in 7 years—but it is like a New Year's resolution on a diet. Only we are going to start the diet with a great big dessert called the tax cut.

What we are saying here is, let us see if we cannot get bipartisan agreement to reduce that dessert just a little bit. Let us take $10 billion of that dessert and put it into education. And we are going to have a much better country if we do it. That should not be a partisan thing. We ought to be able to agree on that across the aisle and I hope we can work something out on that line.

Mr. HARKIN. If I might just ask the Senator from Illinois, all this talk about these tax cuts—what the heck, I will be honest about it, I have friends who make over $100,000 a year, because the Senator from Illinois is a friend of mine. We are paid more than that every year, the Senators. But I have friends who make more than $100,000 a year. I will be frank about it. I have not had one person come to me and say they need a tax break; not one.

I would ask the Senator from Illinois, has he had anyone coming to him begging for tax breaks?

Mr. SIMON. I share that experience, including people who make many times what the Senator and I make, who tell us this really does not make sense.

Mr. HARKIN. It does not make sense.

Mr. SIMON. I commend our colleague, Senator FEINGOLD from Wisconsin, for leading a fight on this. We are going to have an amendment on this on the floor. I hope sounder heads will prevail.

We all love to hand goodies out. But this is a time for restraint and not handing goodies out, and certainly not taking back from educational opportunity.

Mr. President, I see I am getting a signal up there our time is expired. I thank my colleague from Iowa again.

RECESS

The PRESIDING OFFICER (Mr. GORTON). Under the previous order, the Senate stands in recess until 2:15 p.m.

Thereupon, at 12:45 p.m., the Senate recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. COATS).

The PRESIDING OFFICER. The Senator from Missouri.

APPOINTMENT OF CONFEREES—H.R. 4

Mr. ASHCROFT. Mr. President, I understand the Chair is prepared to appoint conferees on behalf of the Senate for H.R. 4, the welfare reform bill.

The PRESIDING OFFICER appointed Mr. ROTH, Mr. DOLE, Mr. CHAFEE, Mr. GRASSLEY, Mr. HATCH, Mr. MOYNIHAN, Mr. BRADLEY, Mr. PRYOR, and Mr. BREAUX; and from the Committee on Labor and Human Resources for the consideration of title VI and any additional items within their jurisdiction including the Child Abuse and Protection Act title: Mrs. KASSEBAUM, Mr. JEFFORDS, Mr. COATS, Mr. GREGG, Mr. KENNEDY, Mr. DODD, and Ms. MIKULSKI; and from the Committee on Agriculture, Nutrition and Forestry for the consideration of items under their jurisdiction: Mr. LUGAR, Mr. DOLE, Mr. HELMS, Mr. LEAHY, and Mr. PRYOR conferees on the part of the Senate.

CORRECTING THE ENROLLMENT OF H.R. 402—MESSAGE FROM THE HOUSE

Mr. ASHCROFT. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of a message from the House to accompany Senate Concurrent Resolution 27.

There being no objection, the Presiding Officer laid before the Senate the following message from the House of Representatives:

Resolved, That the resolution from the Senate (S. Con. Res. 27) entitled ''Concurrent resolution correcting the enrollment of H.R. 402'', do pass with the following amendment:

Page 1, line 2, strike all that follows after ''That'' to the end of the resolution and insert the following:

the action of the Speaker of the House of Representatives and the President pro tempore of the Senate in signing the bill (H.R. 402) is rescinded, and the Clerk of the House of Representatives shall, in the reenrollment of the bill, make the following correction:

Strike section 109.

Mr. ASHCROFT. I ask unanimous consent that the Senate concur with the House amendment and that any statements relating to the resolution be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ASHCROFT. Mr. President, I observe the absence of a quorum.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. Will the Senator withhold that request?

Mr. ASHCROFT. Yes.

The PRESIDING OFFICER. The Chair recognizes the Senator from Maryland.

ABSENCE OF SENATOR MIKULSKI

Mr. SARBANES. Mr. President, as many of my colleagues know, our colleague, Senator BARBARA MIKULSKI, was robbed Sunday evening in front of her home in Fells Point in Baltimore. She was knocked to the ground in the course of this robbery and injured her hand. We expect she will be back tomorrow, and she asked that I share with our colleagues this statement of hers:

> I regret that I will be necessarily absent today, as I recuperate from Sunday's unfortunate experience. While I share the pain and anger of other victims of this type of crime, I have been heartened by the many good wishes I received from my friends and colleagues. I look forward to returning to duty tomorrow.

I know my colleagues look forward to having her return to duty tomorrow, and I know they join me in wishing Senator MIKULSKI a very speedy recovery.

I thank the Chair and yield the floor.

CUBAN LIBERTY AND DEMOCRATIC SOLIDARITY [LIBERTAD] ACT OF 1995

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of H.R. 927, which the clerk will report.

The legislative clerk read as follows:

> A bill (H.R. 927) to seek international sanctions against the Castro government in Cuba, to plan for support of a transition Government leading to a democratically elected Government in Cuba, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Dole amendment No. 2898, in the nature of a substitute.

Ashcroft amendment No. 2915 (to amendment No. 2898), to express the sense of the Senate regarding consideration of a constitutional amendment to limit congressional terms.

Ashcroft amendment No. 2916 (to amendment No. 2915), to express the sense of the Senate regarding consideration of a constitutional amendment to limit congressional terms.

Mr. ASHCROFT. Mr. President, I observe the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been noted. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BRYAN. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BRYAN. Mr. President, I would like to move to morning business for the purpose of giving a statement of about 7 or 8 minutes. I would ask unanimous consent that I might speak as in morning business for a period not to exceed 8 minutes.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered. The Senator from Nevada is recognized.

Mr. BRYAN. Again, I thank the Chair.

HIGH-LEVEL NUCLEAR WASTE

Mr. BRYAN. Mr. President, I want to bring to the attention of my colleagues an issue of great importance to Nevada, but should be of concern to those from other States as well.

Mr. President, for 13 years, since 1982, Nevada has been the prime target of the nuclear power industry for the disposal of its high level commercial nuclear waste.

In spite of the fact that Nevada has no nuclear reactors, commercial or otherwise, and never benefited from nuclear power, Nevada has been identified by the nuclear power special interest lobby as its chosen site for the disposal of one of the most poisonous, dangerous substances known to mankind.

Since 1987, as the result of a backroom deal reached during the deliberations of a conference committee, Yucca Mountain, 90 miles northwest of Nevada, has been the sole site being studied by the Federal Government for a high-level nuclear waste dump.

As many of my colleagues are aware, the repository program has been a dismal failure.

Despite the expenditure of nearly $5 billion, a repository is no closer to being built today than it was in 1982, when the original Nuclear Waste Policy Act was passed by Congress.

Faced with the failure of the permanent repository program, and frustrated by the Federal Government's obvious inability to accept nuclear waste from commercial reactors anytime near the originally planned 1998 deadline, the nuclear power industry and its advocates decided to initiate another, even more dangerous, assault on Nevada.

Raising the specter of widespread shutdowns of nuclear power reactors across the Nation, and demanding adherence to the obviously impossible 1998 deadline, the nuclear power industry now demands that the Federal Government immediately build so-called interim storage facilities at the Nevada test site.

This new attack on the health and safety of Nevadans is coming at us from all angles.

Numerous bills have been introduced in the House and Senate to target Nevada for interim storage—all written by the nuclear power industry, and all fiercely opposed by Nevada's Governor and congressional delegation, and the vast majority of Nevadans.

At the same time, we face the prospect of another back room deal on a conference report singling Nevada out for a dump it wants no part of.

In spite of the fact that neither the House or Senate energy and water appropriations bills would allow interim storage to be constructed in Nevada, by all indications, the conference report may target Nevada as the sole site for interim storage.

Mr. President, nothing could be less fair to the citizens of my State and I, and the rest of the Nevada congressional delegation, will do everything possible to see that this provision does not pass.

Mr. President, as you may expect, we in Nevada fear that should a nuclear waste dump of any type ever be built in our State, the health and safety of Nevadans will be severely threatened.

With 16,000 shipments of highly toxic waste arriving from across the Nation, the potential for a catastrophic accident near Las Vegas, a community of 1 million residents, is enormous.

Mr. President, while Nevada faces the greatest risk, and is at the most peril should the nuclear power industry get its way with Congress, every Senator should take a careful look at exactly what is being proposed.

As citizens across the Nation are slowly beginning to realize, the nuclear power industry is proposing to ship, at the earliest date possible, an unprecedented volume of shipments of extremely poisonous, highly toxic high level nuclear waste—over 16,000 shipments across 43 States, by both rail and truck.

Mr. President, I invite my colleagues' attention to the proposed shipment routes. Each Senator will note that his or her State may be a candidate for this massive shipment with all the risks that are here by way of accident or other unforeseen consequence. Even though the plan sadly targets Nevada out here as the ultimate repository, it will pass through the States of most of my colleagues. I emphasize that they too and their constituents are at risk, as are my constituents.

Mr. President, my colleagues should look closely at this map, because this map shows the likely routes for the transportation of high-level waste in the very near future.

As I pointed out a moment ago, nearly every State would be effected.

The nuclear power industry, of course, is quick to claim that we have nothing to worry about, that nuclear waste transport is perfectly safe.

Mr. President, I doubt many of my constituents, or those of other Members, would put much faith in the nuclear power industry's assertions.

Quite simply, accidents do happen. While only a relative few make the national news, the United States has nearly 1,500 rail derailments a year.

Heavy truck accidents occur approximately six times for each million miles traveled which, if applied to the thousands of truck shipments under the nuclear power industry's plan, would result in at least 15 truck accidents involving nuclear waste each and every year.

The events of the past week raise even more frightening possibilities. In addition to the potential for accidents, nuclear waste shipments could become prime targets for acts of sabotage or terrorism.

Monday's sabotage of the Sunset Limited near Hyder, AZ, is a stark reminder of the dangers we face from criminals and terrorists every day. In a matter of minutes, those responsible for the Sunset Limited wreck created a derailment which took the life of one passenger, and injured numerous others.

From the reports that I have read, Mr. President, that sabotage took approximately 10 minutes to effect.

In an ironic twist, this week's act of sabotage appears to be a copycat of the August, 1939 derailment near Harney, NV, that killed 24 passengers.

The simple fact is that no one, not the nuclear power industry, not the Department of Energy, and not the Nuclear Regulatory Commission, no one can guarantee the safety of the transportation of nuclear waste.

Sound public policy dictates a cautious approach to the transport of such hazardous materials. They should only be moved if absolutely necessary. This is simply not the case with nuclear waste.

Nuclear waste is currently stored onsite, at the 109 nuclear power reactors in the United States—80 percent of them east of the Mississippi River.

These sites, of necessity, will remain storage facilities for nuclear materials at least as long as the reactor continues to operate—several decades, if not longer. Technology Mr. President, currently exists—dry cask storage—that is licensed by the Nuclear Regulatory Commission and available for utilities to purchase if they need additional storage.

Numerous utilities have taken advantage of this technology, and have moved to dry cask storage. Outside of the local political problems many reactors face when they try to increase storage, there is simply no reason any utility needing additional storage could not do the same.

The PRESIDING OFFICER. The Chair would advise the Senator that his 8 minutes has expired.

Mr. BRYAN. Mr. President, I would like to ask unanimous consent for an additional 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BRYAN. I thank again the Chair for his courtesy.

Mr. President, the point I would seek to make this afternoon is this is not just a Nevada issue. Look at the map. Forty-three States are affected by these proposed nuclear waste shipment proposals. And each State bears a risk of an accident or an act of sabotage, an act of terrorism with all of the frightening consequences that brings to bear on those States and the constituents of those States being represented here in the U.S. Senate.

The plans being advanced by the nuclear power industry threaten the health and safety of citizens across the Nation, for no good reason.

The crisis mentality generated by nuclear power industry propaganda is nothing new. In the early 1980's, advocates for the nuclear power industry argued on the Senate floor, and elsewhere, that unless some away-from-reactor plan called AFR storage was provided by the Federal Government soon, reactors across the Nation would shut down, creating an electricity crisis for millions of Americans. Of course, no reactors have ever shut down for lack of storage, and there is no crisis. The same is true today.

Mr. President, the reality is that the nuclear power industry is a dying industry. No new reactors have been ordered for over a decade, not because of lack of storage, but because nuclear power is simply not competitive in the marketplace. In an ill-founded and irresponsible attempt to jump-start a dying industry, nuclear utilities have advanced a proposal that places the population of 43 States at risk, all for the benefit of the bottom line of the commercial nuclear power industry.

I urge my colleagues to reject the nuclear power industry's interim storage proposal.

Mr. President, I yield the floor.

Mr. ASHCROFT addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

CUBAN LIBERTY AND DEMOCRATIC SOLIDARITY [LIBERTAD] ACT OF 1995

The Senate continued with the consideration of the bill.

AMENDMENT NO. 2916, AS MODIFIED

Mr. ASHCROFT. Mr. President, I send a modification of my second-degree amendment to the desk.

The PRESIDING OFFICER. Without objection, the amendment is so modified.

The amendment, as modified, is as follows:

Strike all after the word ''SEC. .'' and insert the following:

SENSE OF THE SENATE REGARDING CONSIDERATION OF A CONSTITUTIONAL AMENDMENT TO LIMIT CONGRESSIONAL TERMS.

It is the sense of the Senate that the United States Senate should pass a constitutional amendment limiting the number of terms Members of Congress can serve.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. ASHCROFT. Mr. President, I offer this amendment to clarify the sense of the Senate that would be expressed, and the amendment makes very clear the simplicity of this sense-of-the-Senate resolution.

The sense-of-the-Senate resolution would read as follows:

It is the sense of the Senate that the U.S. Senate should pass a constitutional amendment limiting the number of terms Members of Congress can serve.

I think that is a straightforward statement of the intention and sentiment which I believe the American people have as their agenda for reform, and I believe we should advance that agenda of reform in accordance with their clear mandate last fall.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GORTON. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORTON. Mr. President, what is the pending business?

The PRESIDING OFFICER. H.R. 927 is the pending business.

Mr. GORTON. Mr. President, I ask unanimous consent that I may proceed for not to exceed 10 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered. The pending business, H.R. 927, is set aside and the Senator is recognized for 10 minutes to proceed as in morning business.

ECONOMIC ASSUMPTIONS

Mr. GORTON. Mr. President, one habit or custom that the President and I have in common is that we are runners—I know I can say in my case, I believe in his case, not particularly gifted or particularly fast, but nonetheless we are runners as a method of keeping in good physical condition. I believe that the President, as I have, has on some occasions run in these rather large races where there are a large number of people and one tests oneself against the clock.

We always will attempt to beat our previous best time in a given race, but at least in this connection, we never attempt to do so by saying, ''Gosh, I just can't break 45 minutes for 10 kilometers, so I'll shorten the race. I'll shorten it to 8 kilometers, but I'll call it 10, and then I will have broken 45 minutes.''

The President of the United States would not consider doing that in a road race, but that is precisely what he has done with respect to our dispute over a balanced budget.

Shortly after Mr. Clinton took the Office of the Presidency of the United States, he sought to lay to rest a dispute, which the Presiding Officer will remember, as I do, over economic assumptions. Through all of the Reagan administration and all of the Bush administration, we on this side of the aisle were criticized for using assumptions about the future state of the economy that were too optimistic, too rosy and, thereby, underestimating the challenge presented to us by continuing huge deficits in the budget of the United States.

Almost without exception, those budget assumptions in the Reagan and Bush administrations presented by the administrations were more optimistic than those presented to us by the Congressional Budget Office.

So President Clinton, on taking office, said, ''Let's end this dispute. Let's all agree that in the past, the Congressional Budget Office has been both more cautious and more conservative and more accurate and we will debate substance in the future. We will all work off the same set of projections. We will all work out of the same books.''

I think everyone, both Republicans and Democrats, took that as a statement of good faith and a significant step forward, because the motivation to overestimate growth in the economy on the part of an administration and, thus, to make its budgeting job easier is not limited either to Republicans or Democrats. There is always an easy way out.

Unfortunately, Mr. President, when push came to shove, the President abandoned that salutary way of making estimates and has gone back into exactly what he criticized his predecessors for—estimating or projecting his way out of difficulties. And so while this Congress, both in the Senate and in the House, has accepted without reservation the economic projections of the Congressional Budget Office and has proposed to balance the budget within 7 years, under the rules which the Congressional Budget Office has set out, as difficult as they are and although as a consequence we, in order to bring the budget into balance, have been forced to propose relatively drastic changes in policies which would reduce the growth of spending in the United States across the broad spectrum of all of the items which the Government of the United States funds, we find a President saying, well, there is not really much difference between us. The President says: I want to take a little longer, 9 or 10 years to balance the budget, while the Republicans want to do it in 7. We can easily reach an agreement or an accommodation on those two goals, they are so close to one another.

But the President gets there by cooking the books. He gets there by abandoning his commitment of 1993 and doing exactly what he criticized others for doing and getting more than 50 percent of the way to a balanced budget simply by saying, ''I do not think we are going to spend as much as the Congressional Budget Office says. I think interest rates are going to be lower, and I believe that the tax system will take in more money.'' It amounts to a tremendous amount of dollars, Mr. President.

President Clinton simply estimates $55 billion more in Medicare spending savings, without changing Medicare at all; he estimates that Medicare will cost $68 billion less; he estimates that farm programs, pension programs, and other welfare programs, will cost $85 billion less; he estimates that we will save $70 billion more in interest costs because interest rates will be lower; and he estimates that we will take in $175 billion more because the economy will grow more rapidly, for a net of $475 billion between now and the year 2002—a trillion dollars over the next 10 years, Mr. President.

Well, he could just as easily have made these estimates a little bit more optimistic and we would not have any deficit problem at all. It would go away without doing anything.

That is the great difference in the debate which we are about to begin. Are you willing to look realistically at the future of our economy and the growth in our spending programs and do something about them as a matter of substance? Or, on the other hand, Mr. President, do you just say times are going to be good, the problem will go away by itself? That is the difference.

Well, if the experience of the last 15 years holds true, the problem will not go away by itself. We need to begin from a common basis. The President is simply wrong in overestimating the strength of the economy and telling the American people that no sacrifices are needed, no changes in policies are needed. All we need to do is reestimate the economy and everything comes up smelling like roses.

Now, Mr. President, I started speaking about 10 kilometer versus 8 kilometer races. I must admit that there is one difference, one with respect to that analogy, that does not work. Neither of us, those of us who depend conservatively on the Congressional Budget Office nor the President, can be precisely certain that that side is correct. Economic projections are notoriously difficult to make even a year in advance, much less 7 years in advance. And we must admit that it is clearly possible that the President might be right in spite of the experience of the last 15 years, just as he, I suspect, if he were forced to answer the question, might be willing to admit that perhaps he is wrong and that the Congressional Budget Office projections are better.

But what are the contrasting consequences of being wrong in this case, Mr. President? Well, if President Clinton is wrong and we are correct, the budget deficit will never be less than $200 billion a year. In the next decade, another $2 trillion will be added to the burden of debt imposed on the people of the United States, money which we spend, the bills which we send to our children and to our grandchildren. That would be the consequence, Mr. President, of President Clinton being in error. The problem of the budget will never have been addressed if we accept his policies.

By contrast, Mr. President, what would the consequences be if we are wrong, if we are too conservative, too cautious, and if in fact the economy does grow as rapidly as the President predicts in his easy-does-it budget? Well, Mr. President, the budget might be balanced in the year 1999 or 2000 rather than in 2002. Is that a horrendous consequence? No, Mr. President, that is exactly the goal we seek with our conservative projections and with the very real policy changes we propose. We only claim we will get to balance by the year 2002. But even that claim carried out by changes in policies will, from the perspective of almost every economist, itself build a stronger and better economy, provide more opportunities for generations looking for those opportunities in the future, lower interest rates, lessen the burdens of Government on not only this generation but the next generation and the generation after that. And if we do better than we thought, that burden will be even lighter and we will get rid of the deficit even earlier.

So if we are wrong and too cautious, we reach the goal all of us share more quickly. If President Clinton is wrong, we never reach that goal at all, and we continue to add to the burden of debt on our children and on our grandchildren.

Mr. President, both from a policy standpoint and from the point of view of having an intelligent debate, the rights and wrongs of which the American people can understand, and from the moral point of view of bringing to an end this huge addition to the burden of debt on future generations, we must and we should agree on the starting point, on the projections we are going to use. What better way in which to start that part of the debate, Mr. President, can there be than to have President Clinton keep the commitment that he made 2½ short years ago.

We are not going to debate the projections. We will take the projections of the neutral objective Congressional Budget Office and work our debate. We will work our debate off of them.

If we do that, we will see clearly how necessary the budget is that we have already passed, the reconciliation bill which we will debate in the next 2 or 3 weeks in order to enforce it.

Mr. President, we should start from a common ground and make that common ground the ground the President of the United States himself stood on 2½ short years ago. We should not try to shorten the race and pretend we are running faster.

Mr. SPECTER. Mr. President, I ask unanimous consent I may proceed for up to 10 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

HAPPY BIRTHDAY, HILDA SPECTER MORGENSTERN

Mr. SPECTER. Mr. President, permit me a personal moment or two on the floor of the U.S. Senate and in the CONGRESSIONAL RECORD to comment on my own family values on the occasion of the 74th birthday of my sister, Hilda Specter Morgenstern. It is a major occasion for our family because Hilda is the first member of the Specter family to reach a 74th birthday. My father died at 72, my mother and brother, Morton, at 73.

An excellent indicator of family values is longevity of marriage, and I speak with great pride about the Specter family on that subject.

My parents, Harry and Lillie Specter, were married 45 years before my father's death in 1964. My brother, Morton, and his wife, Joyce, were married 51 years before his death in 1993. My sister, Hilda, and her husband, Arthur, have been married 52 years. My sister, Shirley, and her husband, Dr. Edwin Kety, were married 46 years before his death last August. Joan and I celebrated our 42d anniversary last June 14. That is a total of 236 years without a divorce.

On Sunday last, October 15, 1995, Hilda Specter Morgenstern celebrated her 74th birthday with her husband, her four children, and most of her 9 grandchildren in Teaneck, NJ, on a visit from her home in Jerusalem.

A beautiful redhead, Hilda married Arthur Morgenstern after they met in the synagogue at Rosh Hashanah services in Wichita, KS, in 1942, while Arthur was in the cavalry at Fort Riley, KS. She was a straight ''A'' student and a real academic inspiration for me. When she saw my report card in the seventh grade, my first testing with A's and B's, she scoffed at my one A and seven B's and offered a dollar for every ''A'' I got thereafter. When I graduated from college, she and Arthur handed me a check for $266.

Hilda Specter was an honor student and an excellent debater at the University of Wichita where she was a member of the prestigious Association of American University Women. She was studying for her masters degree at Syracuse University in the spring of 1942 when Arthur received his orders to embark to the South Pacific as an Army artillery officer. After a coast-to-coast train ride to San Francisco, they married. Their wartime romance gave them only a weekend together before he sailed for a 31-month tour of duty in the South Pacific.

After the war, Hilda, Arthur, and their family of four children lived in

Russell, KS, without the benefit of a Jewish education, so they moved to Wichita where Hilda became superintendent to the Hebrew school. When they found the Jewish education there insufficient, they moved to Denver. When that proved insufficient, they moved to New York City. When that was not enough, they moved to Jerusalem where Hilda and Arthur now reside—except for periodic visits to the United States to help in my many campaigns.

Hilda Specter Morgenstern is a model wife, mother, grandmother, and great-grandmother. She is a real matriarch of the family. She tackles with equal ease an analysis of the ABM Treaty to help me in my Senate duties, or the change of diapers for her new, great-grandson.

I have urged her to follow the model of Golda Meir, the Milwaukee-born American, who later became Prime Minister of Israel. Hilda responded by telling me to become President of the United States first.

Happy 74th birthday, Hilda.

IN HONOR OF MORTON SPECTER

Mr. SPECTER. Mr. President, 2 days from today, on October 19, 1993, the second anniversary will be marked of the passing of my brother, Morton Specter, an honest, hard-working American who paid more than enough taxes to be memorialized in a brief statement in the CONGRESSIONAL RECORD.

I now ask unanimous consent to have printed in the CONGRESSIONAL RECORD the eulogy which I delivered at his funeral in October 1993.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Ours is a very close family, so Morton's passing came as a real shock—not that it was totally unexpected because he had many medical problems—but perhaps a family is never really prepared for the finality of it all.

The words ''family value'' were never used in the Specter household. It wasn't necessary because we had them without talking about them. They evolved naturally from the example of our parents who struggled to achieve for their children what they never had—education and opportunity. As the oldest of four children, Morton set the example for Hilda, Shirley, and me. None of us would even consider doing less than our best or doing anything to embarrass our parents, considering their sacrifices.

The 1920's Depression left its mark on Morton at the tender age of ten. From his earliest days, he was a tireless worker—the hardest worker I've ever seen. At 11 or 12, he rode his bicycle on the streets of Wichita delivering bills of lading to railroad offices for Beyer Grain Co. As a teenager, he would go after dark to the golf courses, and wade the lakes to find golf balls which he would make sparkling white with peroxide bleach and sell in downtown office buildings.

When he wanted to get a job to earn money right after high school, my father talked him into going to Wichita U. for one year which turned into four and a college degree. In college he boxed, careful to protect his strikingly handsome face, and acted in the school plays. He made a short trip to Hollywood when he was 19 or 20—hoping, I think to meet—or maybe even to become another Robert Taylor.

During World War II he answered the call of his country and went to Officers Candidate School and became an Ensign. We talked about reading the text books at that school after lights were out with a flashlight under his blanket.

After the war, he sold magazines door to door. His crew chief Walter Lewis said he covered twice as many houses as anyone else. I joined him in Sioux Falls, South Dakota, in June 1945 and at the first house we visited, where he was showing me the sales speech, the lady complimented him on being a super salesman. When he approached one house, a young girl ran excitedly to the house shouting: ''Mommie, Mommie, here comes Dennis Morgan''—then a famous movie actor.

After the war he joined our father and Hilda's husband, Arthur Morgenstern, at the Russell Iron & Metal Co.—at first a junkyard, then an oil field equipment company and ultimately modest oil production.

He worked long hours Monday through Saturday, making telephone calls in the evenings, and on Sundays he would drive to the surrounding counties to look at oil rigs to salvage.

Morton did find time to meet and marry a beautiful young woman, Joyce Hacker. She stood by his side sharing his strenuous work schedules and the Kansas hot summers and windy cold winters. Last November 19th, they celebrated their 50th anniversary—a very rare quality in modern America. Joyce's steadfast devotion to Morton—especially during the last difficult years—was extraordinary.

Hilda, Shirley, and I returned to Kansas often to visit Morton and Joyce just as they traveled to our homes—as long as he was able. Our family was always on the telephone. Morton would also often call his nephews and nieces and their children and his aunts and uncles and cousins. He was a generous man, making certain his contribution to Allied Jewish Appeal was completed before the end of each year.

Morton made many trips to and through Pennsylvania to help on our many campaigns. There's nothing like a brother or a sister traveling upstate to local newspaper and radio stations to talk about their candidate brother.

When I saw him last Monday at the Wesley Hospital in Wichita, he wanted to know what was going on in the Senate and how Bob Dole was doing.

Bob's father and our father were friends in Russell more than 50 years ago. In the 1940's Harry Specter weighed truckloads of junk at the Russell Grainery operated by Doran Dole.

Our parents were very proud of him. How often I heard our mother Lillie Shanin Specter call him her ''Motala.'' He will rest beside her as he expressed his wish during his lifetime in Montelfiore Cemetery. For my sisters and me, he was a role model of integrity and hard work. He was a man of total honesty who valued his good name and impeccable reputation.

We have not waited until his funeral to tell him how we feel. We have expressed our feelings over the years—by words, but more importantly by deeds—visits and calls and caring.

For Joyce and our entire family and his many friends—I say: We all loved him very much and we all will miss him very much.

CUBAN LIBERTY AND DEMOCRATIC SOLIDARITY [LIBERTAD] ACT OF 1995

The Senate continued with the consideration of the bill.

Mr. SPECTER. Mr. President, I support the cloture motion which will be voted on this afternoon at 5 o'clock, because I believe that it is very important that this legislation be considered by the Senate and acted upon by the Senate.

While I ordinarily support an active international role for the United States and active involvement with other nations around the world, I believe that the current situation in Cuba presents a situation where we ought not to do anything to strengthen the hand of Fidel Castro. I believe that the legislation will increase the pressure on the Castro regime and lay the groundwork for future U.S. support for a democratic transition.

The State Department's 1994 human rights report to Congress paints a grotesque picture of repression by the Castro regime. It shows Government-organized mob attacks on dissidents. It shows nationwide political surveillance. It shows extrajudicial killings of Cubans attempting to flee; for example, the sinking of boats loaded with refugees by Government forces last year. It shows, by every significant human rights standard, the Castro regime has an appalling record on freedom of speech, of assembly, and freedom from arbitrary arrest.

Castro has been largely immune to the democratic changes that have swept the hemisphere during the past 10 years and what that regime has in common with totalitarian states such as the ones created by Erich Honecker in East Germany and Kim Il-song in North Korea.

Mr. President, the legislation will be a significant step forward in isolating Fidel Castro and in hastening the day when democracy can return to Cuba so that that community, that nation, may be liberated from Castro's totalitarian regime and may take its place in the family of nations as a productive nation and a productive society.

Ms. MOSELEY-BRAUN. Mr. President, at the outset, I want to make it clear that I strongly endorse the central objective of H.R. 927, namely, the peaceful transition to democracy in Cuba. The Cuban people have too long been deprived the freedoms of speech, association, and self-expression. Like almost every American, I want to see that the repression of the Cuban people by the Cuban Government is ended. And, like almost every American, I want to see that long overdue economic reforms in Cuba are implemented, so that ordinary Cuban people can improve their standard of living.

These are not, however, the questions before the Senate. What is before the Senate is H.R. 927, and what we have to decide is whether the provisions of this bill will help move Cuba toward freedom, democracy, and greater economic

opportunity, or not. I would like to say that I believe the bill will work, but the simple fact is that it will not.

This legislation pursues a laudable objective the wrong way. It seeks to increase the pressure and isolation of Cuba by further tightening the trade embargo and encouraging United States allies and trading partners to terminate their trade relations with Cuba through punitive and retributive measures. That policy cannot and will not work.

The United States approach to Cuba has been virtually unchanged since the early 1960's. Since then, the United States has maintained a comprehensive trade embargo to isolate the Castro regime politically, to weaken it economically and, thereby, to pressure the Cuban Government into making the desired reforms. H.R. 927 is simply the latest in a series of legislative proposals that purport to provide the final push that will force the Cuban Government over the brink.

This new final push, though, is perhaps even less likely than the series of past final pushes to succeed, because it is not based on the economic, political, and diplomatic facts. Despite close to 35 years of U.S. trade embargo, the Castro regime remains in place.

Even more importantly, the embargo represents a policy orientation that the rest of the world seems to be abandoning. Our most loyal allies and other countries do not support the United States position on Cuba. In fact, the United States is the only country in the Western Hemisphere with a trade embargo of Cuba and one of only five countries that does not have formal ties with Cuba.

Moreover, it was only last year, October 1994, that the world community soundly rejected a proposal that was similar to H.R. 927—one that would broaden the embargo against Cuba—by a vote of 101 to 2. Apparently, our neighbors in the hemisphere and allies around the world believe that dialog and engagement, not confrontation, isolation, and threats, are the best ways to encourage change in Cuba.

The fact is that, without support of our allies and other countries, unilateral United States action against Cuba is unlikely to succeed and could have the unintended effect of unnecessarily increasing friction between the United States and its allies and trading partners.

For economic sanctions to work, strong international cooperation is required. When we have that cooperation, as in the case of South Africa, sanctions can work and can make sense as a policy alternative. The success of the sanctions directed at South Africa was due, almost exclusively, to our ability to convince our allies and other countries, through moral suasion, not punitive or retributive legislation, to support economic sanctions to change the domestic policies and behavior of South Africa.

On the other hand, when the United States acts unilaterally and tries to bludgeon the rest of the world into line with our policy, the result is often failure. It is worth keeping in mind what happened when the United States acted unilaterally to try to prevent a natural gas pipeline in the former Soviet Union from being completed. The policy was a failure; the pipeline was built. However, major U.S. exporters were hurt. Caterpillar, in my own State of Illinois, lost a major sale to its largest international competitor, Komatsu, weakening Caterpillar, and strengthening Komatsu, in international markets for a long time.

Moreover, the United States policy created a major controversy with our closest NATO ally, Great Britain, and with France. They saw the U.S. policy as an infringement on their sovereignty.

This legislation raises important governmental, as well as practical and diplomatic, issues. Many experts see it as an encroachment on the President's authority under the Constitution to conduct the foreign affairs of the United States. For example, the President would be prohibited from providing foreign aid or international development aid credits to Russia and the other Newly Independent States if they continue to trade with or give money to Cuba. As the only remaining world superpower, we have widespread global interests, interests which do not all turn on the status of a particular country's trade relations with Cuba.

Mr. President, H.R. 927 is therefore unlikely to advance United States interests in Cuba. Instead, what it is more likely to do is to damage other U.S. interests. Increased political and economic pressure on Cuba is more likely to enable Castro to play his nationalistic card and use the United States as a scapegoat to explain away Cuba's economic problems than to weaken his grip on Cuba.

And even though it is unlikely to achieve the objectives for Cuba we all share, title III of this legislation will create a nightmare for the United States judicial system, potentially costing United States taxpayers billions of dollars to provide access to United States courts for property claim lawsuits filed by or on behalf of individuals who were not legally entitled to have their claims adjudicated in United States courts when their claims initially arose. The bill, in effect, extends a benefit to Cuban-Americans denied to other groups, including Polish-Americans, Italian-Americans, Americans of Eastern European descent, Chinese-Americans, and Vietnamese-Americans. Finally, U.S. taxpayers will also have to foot the bill for the litigation of trade suits pursuant to NAFTA and GATT/WTO.

Mr. President, what we really need is a new, innovative, and bold approach to Cuba, an approach based on the realities of the situation, an approach that can and will succeed. We need a policy based on our successes. If we can create a situation where we can get the same kind of cooperating on sanctions against Cuba that we were able to put together in the case of South Africa, then a sanctions policy could work, and could be pursued. But if we cannot, we ought to take a lesson from some of our other successes. After all, we did not win the cold war by isolating the now former-Soviet Union, through a sophisticated, flexible policy that engaged the U.S.S.R. where that made sense.

Since unilateral United States sanctions are unlikely to be effective, and since legislation designed to force our trading partners into tighter sanctions against Cuba is more likely to create new problems than to solve the Castro problem, we ought to at least consider new approaches. We need to at least examine, for example, whether more extensive United States contacts with Cuba would strengthen Castro or strengthen the prospects for real democratic and economic reform in Cuba. What we cannot afford to do is to continue to pursue a policy that has not succeeded in the past, and that offers even smaller chances of success in the future. Unfortunately, that is fundamentally what H.R. 927 is all about; I therefore cannot support it. I urge the Senate to defeat this legislation, and to work toward a new policy toward Cuba that offers a better chance of bringing long overdue, fundamental democratic and economic reform to the Cuban people.

Mr. BOND. Mr. President, I rise to address the vote for cloture on the Dole-Helms amendment to the Sanctions Act.

I will be voting for cloture because I wish to see this process move along. This bill has been pending all year, and it is time we addressed it and moved on. In voting for cloture, however, I want to make clear that I do not support this legislation. I think it is a mistake, and I do not believe it will achieve the intended results.

First, this bill will impose trade sanctions on many of our closest allies and trading partners throughout the world. That is not going to help the people of Cuba in any way, but it is going to hurt American companies doing business around the world.

Second, the bill creates an unprecedented right of action for legal claims of former property owners in Cuba. Not only will that impose a severe burden on our court system, it will do so without, in anyway helping the people who need it most—families and small property owners who lost their homes and businesses to the Castro regime. This new right of action will also put us into conflict with some companies headquartered in some of our closest allies who are now operating plants in Cuba.

As a result of both of these problems, the United States will find itself under immediate attack in the World Trade Organization.

This legislation will only add to the already overwhelming misery of the

Cuban people. I do not want to do that, and I know none of my colleagues do either. Certainly, we all want to see an end to the Castro regime—a cold war relic whose time has passed. I believe, however, that Castro's days are numbered. Communism has fallen around the world, and it will fall in Cuba as well. We should let it fall of its own weight, and then be there to assist the Cuban people in developing and nurturing a new democratic successor. This bill will not achieve that goal—in fact, it will move in the other direction. I urge Senators to oppose it.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DEWINE. Mr. President, I ask unanimous consent that the quorum call be dispensed with.

The PRESIDING OFFICER (Mr. INHOFE). Without objection, it is so ordered.

Mr. DEWINE. Mr. President, I also ask unanimous consent to now proceed as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

SCHOOLBUS SAFETY

Mr. DEWINE. Mr. President, I rise this afternoon to discuss a matter that I have discussed on several other occasions on this floor over the last few months, and that is the issue of schoolbus safety in this country. I would like to update the Senate on the progress that we are making in this particular area.

The bad news, Mr. President, is that there are still, we believe, over 100,000 unsafe schoolbuses on the road in this country today, 100,000 schoolbuses that at this moment, at least in the Eastern time zone, the Eastern part of the country, are in the process of taking children home from school.

I have been involved in, and my staff has been involved in, trying to alert the school officials, schoolbus safety officials, in all the 50 States to this particular problem. And I think we are making progress on a number of fronts.

First, one of the major causes, as I have talked about before on this floor, of schoolbus fatalities is the drawstrings that appear around the waist and other parts of clothing of the coats worn by many schoolchildren today. As children get off of schoolbuses, this drawstring is liable to get snagged in the gap that exists between the bus wall and the handrail itself.

Since 1991, at least five children that we know of have been killed in this manner, have been stuck on the bus that that particular drawstring has caught, and they have been dragged by the bus and they have been killed.

I am pleased, Mr. President, to report that the Consumer Product Safety Commission is taking action on this problem. Last month they recommended to the American Society of Testing Materials, the ASTM, that the drawstrings be shortened. Experts agree that this measure will help prevent these accidents.

This is, Mr. President, a big step—a big step—in the right direction. As a result of CPSC's recommendation, the ASTM has already announced a voluntary standard for the drawstrings. Drawstrings that are 4 or 5 inches in length are now banned.

The ASTM also announced plans for a research project to determine if there is any ideally safe drawstring length. The results of this study are to be announced on November 30.

Second, we, as a country, are starting to fix the buses. A bus manufacturing company bought some of the assets of another bus company, a company had gone out of business, a defunct bus company that was purchased. And the new bus company has decided voluntarily to provide materials to retrofit many of the dangerous buses made by the defunct company. It will do this at cost. That particular company is also trying to identify other unsafe buses that are still on the road so they, too, can be retrofitted.

Third, I have brought with me to the floor, Mr. President, a copy of a pamphlet that children are getting in an elementary school in my hometown of Cedarville, OH. This particular pamphlet gives good advice to parents. ''Teach your children to look out for the straps and drawstrings. Be very careful when you are getting on and off the schoolbus.''

This was provided courtesy of the Pupil Transportation Safety Institute, 1–800–836–2210. It is a very simple brochure, but a brochure that we hope will do some good.

Mr. President, in conclusion, I think parents all over America should get a pamphlet just like this. It is available from the Pupil Transportation Safety Institute. Let me again repeat the number, 1–800–836–2210. As the pamphlet says, ''Schoolbus safety is a team effort.'' So, Mr. President, let us work together to make all these schoolbuses as safe as they can be.

RECONCILIATION

Mr. DEWINE. Mr. President, I would also like to talk about another issue this afternoon, and that is an issue that I discussed briefly this morning, an issue that we in the Senate will be debating for the next few weeks and an issue that has, I believe, historic importance, not just in this Senate but to this country, not just to this generation but to our children's generation and our grandchildren's.

I rise specifically today, Mr. President, to discuss the reconciliation bill that we expect to reach the floor sometime in the next 2 weeks.

This bill embodies the decision that the American people expressed last November. The American people last December decided that we need to make a fundamental change in course for our U.S. Government

Many of us ran, many of us talked about these issues, and what were the commitments? I think we can summarize them as follows. There are many, but four essential commitments were made last November, four commitments that we will work over the next few weeks to carry out:

First, we need to balance the budget.

Second, we need to replace the welfare system with a system that rewards work and creates opportunity.

Third, we need to rescue Medicare from bankruptcy.

And fourth, we need to give some tax relief to the hard-working families of this country. Four basic simple things that I believe, if passed, if enacted, will fundamentally change the direction of this country.

While these are simple, I think it is fair to say that this is really an extremely ambitious agenda. Even to consider an agenda of this magnitude would make this a truly historic Congress. But in this reconciliation package, the Senate is about to pass this agenda, to actually pass it, and to send it on to the President of the United States.

Except for a few days at the beginning of 1953, the last time a Democratic President had to deal with a Republican Congress—with a Republican Congress—was from 1947 to 1949. In the 1948 election, the Democratic President accused the Republicans of running a do-nothing Congress. The current President is very well equipped with rhetorical ammunition. They work very hard on this at the other end of Pennsylvania Avenue, but I think that the charge that this is a do-nothing Congress is not one the White House will be using any time soon, or at least the White House will be using successfully any time soon, because the fact is, this Congress has stepped up to the plate and made some extremely tough decisions.

This Congress has passed a balanced budget plan for the first time, if we carry it out, since 1969. This Congress is fundamentally overhauling the welfare system, and just a few weeks ago on this floor, this Senate passed a historic welfare bill.

I believe this Congress will take the steps to save Medicare from bankruptcy.

This Congress is working to relieve the tax burden on working families.

Mr. President, this is the historic agenda the 104th Congress is prepared to send to the President of the United States. Let us make no mistake, this reconciliation package is the only proposal on the table that will achieve the goals of the American people.

Our national goals are to balance the budget and to let working families keep more of their own money. The Republican reconciliation package accomplishes both of these goals. Indeed, Mr. President, if you look at it a certain way, these two are, in fact, the

same goal. If we do not take action now to balance the budget, the tax burden will only get worse and worse for American families in the future.

The report of the bipartisan entitlement commission could not be more clear: If we do not change our present course by the year 2012, every single penny in the Federal budget will be consumed by entitlements and interest on the national debt. If in the year 2012 we want Government to do anything at all, such as run the Army, Navy, Air Force, Marines, run a program for women, infants, and children, the WIC Program, or any other things we consider important, it would have to mean a tax increase, a huge, staggering tax increase. You would have to have a tax increase, because there is no money left to do these things.

Let me try to put our present course in historical perspective and talk about an American family.

When my parents graduated from high school in early 1940's, the debt on each child who graduated that year was approximately $360. By the time my wife, Fran, and I graduated in 1965, it was up to $1,600 for each child.

When our older children, Patrick, Jill, and Becky, graduated in the mid-1980's, that figure had risen per child. The debt for each child graduating those years was $9,000. If we continue to go the way we have been going, by the year 2012, just 1 year after our grandson, Albert, graduates from high school and just 1 year after our daughter, Anna, enters college, by that year 2012, that figure will be $25,000. That will be $25,000 in debt for each person—each man, woman, child—in this country.

What a staggering debt, what a horrible legacy we would be leaving to our children and our grandchildren. Clearly, the longer we wait to change course, the worse it will be for the American people.

The reconciliation package that we will be considering balances the budget by slowing the rate of growth of Federal spending. Let me repeat that. It balances the budget by slowing the rate of growth.

Columnist James Glassman of the Washington Post has proposed a useful way of looking at this bill, this package. Add up all the spending by the Federal Government over the last 7 years and compare it with the total this budget proposes to spend over the next 7 years. The result: Spending over the next 7 years will increase over the last 7 years by $2.6 trillion.

Let me repeat that. Spending will increase. The truth is that by limiting spending growth to just a little more than the expected rate of inflation, by doing this, what would seem to be, simple act, we can balance the budget.

If we as a nation cannot summon the will and the courage to make that relatively small sacrifice, how on Earth can we expect the next generation to face a budget with no money in the discretionary account, no money for defense, no money for social programs, and $25,000 of debt owed by every single American?

Mr. President, over a working lifetime, the interest alone on the national debt will cost an American child born today a total of $187,000.

It is clear to me as well as to the American people this could very well be our last chance to solve this problem before it is really too late. This is a grave responsibility, and I do not believe that we can back away from it.

Is there an alternative? Is there anything else we can do? The President has proposed a different approach. His budget, according to the nonpartisan Congressional Budget Office, the budget office that he told us we should be following, contains deficits, according to their calculation. His budget, the President's budget, contains deficits of $200 billion as far as the eye can see, for the foreseeable future. His budget never gets to balance. Let me repeat that. According to CBO, the President's budget never gets to balance. In other words, no balanced budget, staggering deficits as far as the eye can see.

Mr. President, I do not believe that is how America wants to begin a new millennium. For over 200 years, we have given hope to all the nations of the world—hope that free men and women are, in fact, capable of self-government, capable of making responsible choices to ensure a prosperous future for our families, our children, and for our country.

Mr. President, a vote for the Republican reconciliation package is a vote to balance the budget so that we can start reducing the national debt and so we can put America on course toward a future we can be proud to leave our children.

The administration's budget proposal would take today's staggering deficits, add 24 percent, and then ask our children and grandchildren to pay our bills. Often in the past, Americans have faced up to a choice, a choice between two futures. The choice we make in this historic Congress will rank with some of the most important in our Nation's history. As Congress decides and as America decides, I believe we should stay true to our national calling. We should prove, Mr. President, that America is in fact capable of responsibility. We must balance the budget so that our children and grandchildren do not have to pay our bills. We must, we should, put the future first and support the reconciliation bill.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CUBAN LIBERTY AND DEMOCRATIC SOLIDARITY [LIBERTAD] ACT OF 1995

The Senate continued with the consideration of the bill.

AMENDMENT NO. 2916, AS MODIFIED

Mr. BYRD. Mr. President, I appreciate the passion with which the author of this term limitation amendment believes in his cause. I can also appreciate the fact that he is adamant in having the Senate debate the issue of term limits. But I strongly suggest that the remaining days of the first session of the 104th Congress are not the time to undertake this debate. There will be plenty of opportunity when we return next year, as the able and distinguished majority leader has indicated, for the Senate to consider a constitutional amendment limiting the terms of service. I urge my colleagues to not vote for cloture today and to reject the amendment.

Notwithstanding the logistics, I believe that the Founding Fathers were exactly correct when they declined to establish in the Constitution arbitrary limits beyond those that are set forth in the Constitution regarding congressional service. It is not that the idea had not occurred to them. On the contrary, the Framers of our great charter deliberately rejected this structural prescription—one might call it a proscription; it is both a prescription and a proscription. Instead, they opted for having the number of terms a Member could serve limited not by the calendar, but rather by the Member's performance, measured through regular and periodic elections. After more than 200 years under that principle, we would all be correct to question why it deserves radical change.

Proponents may argue that it is, in fact, necessary to amend our Constitution in order to preserve the Framers' original vision of a citizen-legislator who would set aside his plow to serve the Republic, only to return to his fields as swiftly as possible. But when I think about those men who painstakingly crafted our Constitution—men like Madison, Washington, Franklin, Hamilton, Wilson, Mason, and others—I have serious doubts about the strength of such vision. These were men who devoted nearly all of their adult lives to public service. And that such men could truly embrace that bucolic notion is dubious, at best. The fact is that the citizen-legislator has long been a political myth. Now, with the ever-increasing complexities of public affairs, it is also an unrealistic myth.

For the same reason we have professional doctors, professional accountants, professional teachers and professional engineers, we need an experienced Congress. In each of the cases I have mentioned, experience counts, and it should count. No one would go to an untrained and inexperienced heart surgeon. If they want to do that, they could come to me. That surgeon only

becomes so professional through a long period of schooling and an equally long residency at a hospital.

In the same light, the only way to become a better, more efficient, more professional legislator is through years of practical experience here in the Congress. Richard Russell, Everett Dirksen, Sam Rayburn, and Hubert Humphrey did not become the legislators that they became through limited terms. Just the opposite is true. They became proficient and experienced lawmakers through long years of dedicated service, learning their craft and honing their skills.

And finally, Mr. President, although I will have more to say to this issue at the appropriate time, I hope Senators will reject this notion of term limits for the most obvious of reasons: the surest and most effective term limit is that which can already be imposed by the voters. When the term of any Member of the House of Representatives or the Senate expires, the American voter can turn any Member of this body or of the House of Representatives out of office for any reason. They, the voters, alone pick and choose whom they wish to have represent them. They alone, and not some arbitrary calendar, determine who will serve in this body. And no constitutional amendment, no matter how well intentioned, can improve upon that situation.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. INHOFE). Without objection, it is so ordered.

Mr. HOLLINGS. What is the pending business, Mr. President?

The PRESIDING OFFICER. The pending business is H.R. 927.

Mr. HOLLINGS. Mr. President, I gather there is no time agreement other than the set rollcall, as I understand it, at 5 o'clock?

The PRESIDING OFFICER. There is no time limit at this time.

Mr. HOLLINGS. Mr. President, as I understand it, the matter of strengthening sanctions on the Cuban Government is the underlying legislation, with the pending amendment being one offered by the distinguished colleague from Missouri with regarding term limits. I wish to talk on a subject relating to term limits, specifically the need to retain a sense of history around this place. I oppose term limits by way of any further provision other than that in the Constitution, that we in the Senate have to run every 6 years. I have faced the voters in six elections since I first came to the U.S. Senate.

In attempting to change the existing restraints, we are in danger of losing the sense of history that is necessary in a democratic government. Specifically, I want to address the budget and the reconciliation measure that will soon be considered, the so-called train wreck, to see if we can all talk in one vocabulary relative to this budget, and to specifically demonstrate that there is no plan at the present time that balances the budget.

If you were to go out on the sidewalk and ask any of the relatively informed passers-by, they would tell you, ''Well, there is a Republican plan to balance the budget by the year 2002, but the Democrats want to spend more money.'' The fact is, neither the President nor the Democrats nor the Republicans have a plan to balance the budget by the year 2002—or 2005, for the simple reason we refuse to face the truth; to face the reality.

Let me ask the staff to put copies of our budget tables around on all the desks and some upstairs for the media.

When Senator Howard Baker was the majority leader back in 1981, we saw that we were on a collision course. Specifically, we knew you could not cut taxes and raise revenues. Finally, the press seems to be catching on. I read with pleasure the first ''truth in budgeting'' article that I have seen this year, entitled ''GOP Tax Cuts Will Add $93 Billion to the United States Debt, Budget Analysts Say,'' by Jackie Calmes.

I have called to congratulate the young lady since yesterday. I am going to continue to try to find her, because she really has made history.

I ask unanimous consent the article be printed in its entirety at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Oct. 16, 1995]

GOP TAX CUTS WILL ADD $93 BILLION TO U.S. DEBT, BUDGET ANALYSTS SAY

(By Jackie Calmes)

WASHINGTON.—Despite Republicans' claims to the contrary, their tax cuts will add billions to the nation's nearly $5 trillion debt even as the GOP seeks to balance the budget by 2002.

An estimated $93 billion in extra debt will pile up as a result of the Republicans' proposed $245 billion in seven-year tax cuts, according to calculations from GOP congressional budget analysts. And that's assuming the economy gets the huge $170 billion fiscal stimulus that Republicans are counting on as a consequence of balancing the budget over seven years, thanks mostly to lower interest rates.

GOP leaders agreed last summer, as part of a House-Senate budget compromise, to apply that hypothetical $170 billion ''fiscal dividend'' toward their proposed $245 billion in tax cuts. That left $75 billion in revenue losses unaccounted for. Interest on that amount would add about $18 billion, for the total $93 billion in debt.

Meanwhile, the Republican architects of the plan boast that the tax cuts are all paid for with spending cuts. Senate Finance Committee Chairman William Roth, announcing his panel's draft $245 billion tax-cut package last Friday, said it would be completely financed with lower interest rates and smaller government. ''Other factors like that will add up to $245 billion,'' the Delaware-Republican said.

And Oklahoma Sen. Don Nickles, another Finance Committee panelist and a member of the Senate GOP leadership, added, ''We will not pass this tax cut until we have a letter'' from the Congressional Budget Office reporting that Republicans' proposed spending cuts through 2002 will give us a balanced budget *and* a surplus of at least $245 billion.'' He added, ''It's all paid for.''

The confusion has to do with the frequently misunderstood distinction between the nation's accumulated debt, now approaching $4.9 trillion, and its annual budget deficits, which have built up at roughly $200 billion a year.

Republicans' spending cuts, it's projected, generally will put the annual deficit on a downward path until the fiscal 2002 budget shows a minimal surplus. But the annual deficits until then, while declining, together add nearly $1 trillion more to the cumulative debt. Meanwhile, the GOP tax cuts add to those annual deficits in the early years—in fact, the fiscal 1997 deficit would show an increase from the previous year. Thus the debt, and the interest on the debt, would be that much higher.

Interviews in recent weeks indicate that many House and Senate GOP members are unaware of the calculus. And some are unfazed even when they hear of it. ''It would bother me if I thought we were adding to the debt,'' said Texas Sen. Phil Gramm, now seeking the presidency on his record as a fiscal conservative, ''but I don't think we are.''

Mr. HOLLINGS. Mr. President, I worked with Senator Baker when he was in the majority, and the majority leader, in pushing for a freeze; namely, to take this year's budget for next year. We reasoned that if we could just hold the line, we would save billions and billions of dollars.

I was asked to go ahead and offer the budget freeze. Senator Baker gave some laudatory remarks. He could not endorse it. Unfortunately, we were tackled from behind, by Don Regan, the Secretary of Treasury, and Dave Stockman. Since I have started putting articles in, let me get right to the subject of tax cuts.

Mr. President, let me quote what the Director of the Office of Management and Budget, Mr. Stockman had to a couple of years ago, when I quote from an article in which he wrote:

The root problem goes back to the July 1981 frenzy of excessive and imprudent tax cutting that shattered the Nation's fiscal stability. A noisy faction of Republicans have willfully denied this giant mistake of fiscal governance and their own culpability in it ever since. Instead, they have incessantly poisoned the political debate with a mindless stream of antitax venom while pretending that economic growth and spending cuts alone could cure the deficit. It ought to be obvious by now that we can't grow our way out of it.

We have had none other than the better words of Mr. Stockman, who was one of the leaders of the tax-cut Reaganomics, Kemp-Roth approach.

I have heard the distinguished Chair and others talk about a balanced budget, and I want to shed some light on the reality that you are not saving money or making money with tax cuts. If we are going to get rid of the deficit and the debt, we are going to have to have spending cuts, spending freezes, tax loophole closings, and we are going

to have to deny ourselves programs. I support the idea of voluntarism and helped to start the Peace Corps. But when went to start AmeriCorps, I withheld my support because there was a new multi-billion-dollar program that we just could not afford. So, it takes sacrifices, but it also takes a balanced approach with spending freezes, spending cuts, loophole closings, withholding of new programs, and a revenue increases.

The reason we are in this particular dilemma is that nobody in public office can use the expression ''tax increase'' and get by with it. They describe it as some kind of lunatic fringe. The media, which is charged with the responsibility of exposing the truth and bringing us in public office to task, has joined the conspiracy. They are one of the major culprits—by constantly quoting inaccurate deficit numbers and to budget that are balanced when they should know otherwise.

Take this particular budget we will soon be discussing. I ask you to refer to Mr. KASICH, the chairman of the House Budget Committee, concurrent resolution on the budget for fiscal year 1996. Mr. KASICH in the conference report on page 3, and I read under the entitlement subsection 4, ''deficits,'' fiscal year 2002, a deficit of $108.4 billion. So, please, spare me from all this balanced budget talk. The media, the politicians, the White House, both parties and everybody else—let us start talking reality. The Republican plan that claims to balance budgets has no idea of being balanced. Indeed, Chairman KASICH himself in his conference report projects a deficit of $108.4 billion.

Let me focus for a moment on this tax-cut nonsense that we have to listen to in our debate. We talk about whether the cut is for the middle class, or the rich, or whether you are going to get credit, or we get credit or how much, or whatever it is, but no one really wants to come and say that the tax cut is going to lose revenues. That is why I have inserted this article that appeared yesterday in the Wall Street Journal, entitled ''GOP Tax Cuts Will Add $93 billion to the United States Debt.''

Going just to the October 23 issue of the New Republic, let me quote:

> Neoconman in the late 1970's and early 1980's, Irving Crystal, editor of the Public Interest, helped lend intellectual credibility to the supply side theory that cutting taxes would not increase the deficit. Crystal opened the public interests to supplysiders and introduced Jack Kemp, author of the Kemp-Roth tax bill that initiated the era of disastrous deficits, to supply side guru Jude Waninsky. In the 30th anniversary of the Public Interest, Crystal now confesses that he and his allies never really understood economics. They were merely after a something-for-nothing gimmick that could help elect Republicans.

Now he quotes from that particular statement in Public Interest, and I quote it.

> Among the core social scientists around the Public Interest there were no economists. They came later as we matured. This explains my own rather cavalier attitude toward the budget deficit and other monetary or fiscal problems. The task, as I saw it, was to create a Republican majority so political effectiveness was the priority, not the accounting deficiencies of Government.

I quote just a couple other sentences from that particular article:

> Now he tells us. Thanks anyway, Irving, for the confession of complete political cynicism. The accounting deficiencies of Government, by the way, at last count add up to $4.9 trillion.

If you look at the historical budget tables that I have distributed, I started back when we balanced the budget. This Senator has voted for a balanced budget. Yes, I am an endangered species—one of a very few left around here. But in 1968–1969, under President Lyndon Baines Johnson, you can see that the unified budget was in surplus by $3.2 billion, or the real budget surplus was $2.9 billion.

These are CBO figures, by the way. And I have researched them all the way back to the 1940's. But I wanted to have these figures on one piece of paper showing the Government budget in outlays, the trust funds and the unified deficit—which together make up for the real deficit—the gross Federal debt, and the gross interest costs.

I know people get bored listening to figures, but they better listen to this because they are going to have to live with these figures. You cannot avoid them. You cannot avoid death. You cannot avoid taxes. And you cannot avoid the interest costs on the national debt.

Right here in 1996, the present fiscal year, you can see that the Congressional Budget Office has projected an interest cost on the national debt of $348 billion. That is $1 billion a day. There are only 365 days in a year. So we have got automatic spending—or, rather, spending on automatic pilot of $1 billion a day.

This cancer has got to be excised. It cannot be defrauded. It cannot be finessed.

The present budget for 1996 increases spending. You will find at the bottom of the page not only the Kasich conference report which shows a $108 billion deficit in the year 2002—where they say on the face of the document itself there is a deficit and not a balanced budget—but also the 1996 budget outlay of $1.5756 trillion. Then look just below that, of course, is 1995, last year's, $1.518 trillion. So as you go from 1995 to 1996, you have increased spending.

Here is the best of the best that have come to town, the 74 freshmen on the House side that are controlling the agenda and are said to be beyond the control of the distinguished Speaker. And instead of cutting spending, they have increased spending $57.6 billion. That envisions, of course, abolishing the Department of Commerce, the Office of Technology and Assessment, the Advanced Technology Program, cutting education, cutting housing, cutting all of these other things, and Government outlays still increase.

Mr. President, here we have also listed the CBO baseline assuming passage of legislation to enact the budget resolution. The outlays for the year 2002 are $1.876 trillion, and the revenues of $1.883 trillion. So that is close enough. We call that a balanced budget. But now look down below, how they get to that particular outlay figure. They do that by extending the freeze on discretionary spending through the year 2002.

This fact is assumed rather than stated in the document prepared by the Republican Budget Committee staff entitled, ''Conference Agreement Compared to Baseline.'' It is used by Senator DOMENICI, our distinguished chairman and shows $1.876 trillion in outlays. The way you get it down to those outlays is starting from a figure at the top of the sheet called ''Current Law Deficit.''

Well, if you have not been in the budget game, you might say, ''Wait a minute. What in the world is a current law deficit?'' Translated into reality, it says, ''Assume that the discretionary caps do not expire in 1998 and continue them for the year 1999, the year 2000, the year 2001, and the year 2002.'' They pick up $91 billion—by extending the discretionary freeze through 2002.

Then they say, ''the necessary spending cuts of total deficit reduction'' on the work sheet. This is using the chairman of the Republican Budget Committee's own document. I am not playing games with figures. I want to assume everything they say is true and show you they still do not have a cause of action.

If we assume everything they say is true, they still do not have a balanced budget. Why? Because they say you have got to cut in the year 2002 a reduction of $235 billion in addition to the freeze of $91 billion. And then comparing apples to apples, we must subtract from that $1.876 trillion, the $109 billion surplus in the Social Security trust fund. So the total reduction needed in the year 2002, is a $435 billion reduction.

Now, Mr. President, look at what we are doing here. In the year 1996 we are trying to get a $10 billion reduction in non-defense spending—$10 billion. And, at the present time, we cannot get it. That is why we have not passed all of the appropriations bill. Our colleagues on the Republican side, as well as the colleagues on the Democratic side, are struggling to find $10 billion in discretionary cuts, much less $435 billion.

In the debate on the State, Justice, Commerce Appropriations bill, I used the expression that if the present budget plan balanced by the year 2002, I would jump off the Capitol dome. The chairman of the Budget Committee, my colleague, Senator DOMENICI, said, ''Well, you better take hang gliding lessons.'' I said, ''I'm not going to take them from you because I know I will crash, just like this budget.''

I can tell you here and now, if we cannot cut $10 billion in this struggle

with the best of the best and the sincere intent of the newcomers claiming that all we have to do is cut spending, I know I have a safe bet when you look at the year 2002, and try to cut $435 billion.

Now, that is a swing, Mr. President, from this present year of a $57.6 billion increase. If you want to talk reality, rather than increasing $57.6 billion, you need to turn around and cut $435 billion. That is an almost $500 billion change in position. It is not going to happen.

Why do the distinguished newcomers have such difficulty in stomaching these cuts? The mistaken assumption is that Government began when they got elected—that we had not been cutting. President Ronald Reagan, the best of the cutters, was here for 8 years, and I worked with him. I was on the Grace Commission. That is when we tried the freeze, and then Gramm-Rudman-Hollings. When we could not get the freezes, we said we had to have automatic cuts across the board. If the budget did not come out as you had predicted, what you had to do was automatically cut across the board, otherwise known as a sequester. A majority of the Democrats and a majority of the Republicans voted for Gramm-Rudman-Hollings.

Now, right to the point, Senator GRAMM went along with the repeal of that on October 19, 1990, at 12:41 a.m. Look at the RECORD. I raised the point of order. I said that if we did not follow through with automatic cuts across the board, we would instead start increasing spending. We do not have truth in budgeting.

We not only cut under President Reagan, we cut under President Bush. Incidentally, I had gone from the attempts of the freeze and cuts across the board with Gramm–Rudman-Hollings to supporting of closing of tax loopholes. We worked it out with the Finance Committee, and passed the Tax Reform Act of 1986. We had supposedly done away with corporate welfare, but now they are beginning to talk about it again.

Then in 1989 and 1990, I talked to the President, and particularly to Dick Darman, the Director of his Office of Management and Budget. I said, ''This thing is getting out of hand. The debt is so big and interest is so high that we are not getting on top of just paying the interest on the national debt.'' It was something like Alice in Wonderland's character whereby you have to run faster to stay where you are.

So I said to Darman, what we need is a value-added tax across the board in America. He said, ''How are you going to get votes for it?'' I said, ''We will get it in the Budget Committee. If you and the President will come out for it, we will run with them and get on top of it. If you don't, by 1992, you are going to be in real trouble.''

The truth is, in 1992, President Bush was in real trouble. The deficit was up to $400 billion and President Clinton did not so much as win that election as President Bush lost it. The people said: ''We hear all the rhetoric about what all they are going to do with balanced budgets, but like Tennessee Ernie, another day longer and deeper in debt;'' and there we are, Mr. President, you can understand exactly what I am talking about.

We had been to the Budget Committee and we got eight votes to increase taxes across the board. We had Senator Boschwitz. We had Senator Danforth. It was bipartisan. We got eight votes in the Budget Committee, but the Bush administration would not follow through. As a result, as I stated in 1992, we were up against $400 billion deficits.

President Reagan came to office in 1988 and pledged to balance the budget in 1 year. Of course, he soon backtracked and said, ''Oops, this is way worse than I ever thought. It is going to take me 3 years.'' Well, here was the pledge made; they are all talking about pledges and I want to get to this one. The pledge made was to balance the budget in a year, and then in 3 years, and they instead paved the way for truly astronomical deficits.

Mr. President, gross Federal debt in 1980 was $909 billion; in 1981, it was $994.8 billion.

Former OMB Director Stockman called this gross incompetence—let me use the exact expression he used. I had it here just a minute ago. To quote Mr. Stockman: ''Willfully denying this giant mistake of fiscal governance.''

Giant mistake of fiscal governance, whereby in almost 200 years of history and 38 Presidents, Republican and Democrat, we had not reached a trillion-dollar debt. Now, in 12 short years, add on 3 under Clinton, 15 years, we are up to $5 trillion. We have quintupled the debt of the United States of America.

Senator THURMOND and I are going to get by. We are up there now in age, so we do not have to worry. It is not going to be us paying. It will be our children and grandchildren. We have to constantly hear this caterwaul over on the other side of the aisle: ''We want people to get out of the wagon and start pulling''——

The PRESIDING OFFICER. The time allocated to the Senator has expired.

Mr. HOLLINGS. Mr. President, I ask unanimous consent, I am about to complete my thought here, to extend for another 5 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. NUNN. Mr. President, my only question will be, there are some of us who want to speak on the Cuban matter before the vote. The vote is at 5 o'clock. I do not know how many people are lined up to speak. I am enjoying the Senator's speech. I would like to listen to it. Can we extend the vote for 5 or 10 minutes?

The PRESIDING OFFICER. It would take unanimous consent to change the time of the vote, which is now set for 5 o'clock.

Mr. HOLLINGS. I ask unanimous consent that it be extended to 5 past 5 and that I be allowed to speak.

Mr. FEINGOLD. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. FEINGOLD. Mr. President, I ask unanimous consent that the remaining time be equally divided between the two sides in the usual form.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, the point should be made that for years now up here, at least for the past 15 years, we in the Congress have jumped up into the wagon. We have not paid a bill in 15 years, and we have crowded out the children; we have crowded out the hungry; we have crowded out the poor and the sick; and we have been up in that wagon. So do not give me this stuff about let us help pull the wagon when we do not pay our own way.

There is one fellow in this town, one individual that is not responsible for this deficit, and that is William Jefferson Clinton. President Clinton was down in Little Rock, AR, when this sham and fraud started. He came to town and cut the deficit 500 billion bucks. He increased taxes even on Social Security. He cut defense without a single vote on that side of the aisle.

Yet, they constantly appear talking about a balanced budget when they know it is not balanced, and continue to chastise the one person who did something about it.

Last year when the Medicare trustees reported that Medicare was going broke in the year 2001, they cried, ''What is the matter? We have the best health system. There's nothing wrong.'' They would not do anything.

So President Clinton has tried. Now we are trying again. I ask these fellows to get off that high horse of this fraudulent nonsense about their balanced budget plan when it is far from being balanced—they report it themselves as a $108 billion deficit—and start working with us and cut out the sham about who is in the wagon.

I thank my distinguished colleague and ask that the document that I have referred to throughout my speech entitled, ''Budget Tables'' be printed at this point in the RECORD.

There being no objection, the material was ordered printed in the RECORD, as follows:

BUDGET TABLES: SENATOR ERNEST F. HOLLINGS

Year	Government budget (outlays in billions)	Trust funds	Unified deficit	Real deficit	Gross Federal debt	Gross interest
1968	178.1	3.1	−25.2	−28.3	368.7	14.6
1969	183.6	−0.3	+3.2	+2.9	368.8	16.6
1970	195.6	12.3	−2.8	−15.1	380.9	19.3
1971	210.2	4.3	−23.0	−27.3	408.2	21.0
1972	230.7	4.3	−23.4	−27.7	435.9	21.8
1973	245.7	15.5	−14.9	−30.4	466.3	24.2
1974	269.4	11.5	−6.1	−17.6	483.9	29.3
1975	332.3	4.8	−53.2	−58.0	541.9	32.7
1976	371.8	13.4	−73.7	−87.1	629.0	37.1
1977	409.2	23.7	−53.7	−77.4	706.4	41.9
1978	458.7	11.0	−59.2	−70.2	776.6	48.7
1979	504.0	12.2	−40.7	−52.9	829.5	59.9
1980	590.9	5.8	−73.8	−79.6	909.1	74.8
1981	678.2	6.7	−79.0	−85.7	994.8	95.5
1982	745.8	14.5	−128.0	−142.5	1,137.3	117.2
1983	808.4	26.6	−207.8	−234.4	1,371.7	128.7
1984	851.8	7.6	−185.4	−193.0	1,564.7	153.9
1985	946.4	40.6	−212.3	−252.9	1,817.6	178.9
1986	990.3	81.8	−221.2	−303.0	2,120.6	190.3
1987	1,003.9	75.7	−149.8	−225.5	2,346.1	195.3
1988	1,064.1	100.0	−155.2	−255.2	2,601.3	214.1
1989	1,143.2	114.2	−152.5	−266.7	2,868.0	240.9
1990	1,252.7	117.2	−221.4	−338.6	3,206.6	264.7
1991	1,323.8	122.7	−269.2	−391.9	3,598.5	285.5
1992	1,380.9	113.2	−290.4	−403.6	4,002.1	292.3
1993	1,408.2	94.2	−255.1	−349.3	4,351.4	292.5
1994	1,460.6	89.1	−203.2	−292.3	4,643.7	296.3
1995	1,518.0	121.9	−161.4	−283.3	4,927.0	336.0
1996 est.	1,575.6	121.8	−189.3	−311.1	5,238.0	348.0

Source: CBO's "1995 Economic and Budget Outlook: An Update," August 1995.

[In billion of dollars]	*Year 2002*
1996 Budget:	
Kasich Conf. Report, p.3 (Deficit)	−108
1996 Budget Outlays (CBO est.)	1,575.6
1995 Budget Outlays	1,518.0
Increased spending	+57.6
CBO baseline assuming budget resolution:	
Outlauys	1,876
Revenues	1.883
This assumes:	
(1) Extending discretionary freeze 1999–2002	−91
(2) Spending cuts	−235
(3) Using SS Trust Fund	−109
Total needed	−435

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. There is 10 minutes for the proponents and 10 minutes for the opponents.

Who yields time?

Mr. FEINGOLD. Mr. President, I assume the proponents as being those seeking cloture?

The PRESIDING OFFICER. That is correct.

Mr. FEINGOLD. What is the amount of time for the opponents?

The PRESIDING OFFICER. There are 10 minutes on each side.

Mr. FEINGOLD. I ask the Senator from Connecticut, through the Chair, if he would yield me time to speak in opposition to the motion.

Mr. DODD. It is my understanding that the time remaining is equally divided.

The PRESIDING OFFICER. Yes.

Mr. DODD. I yield 2 minutes to the Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I rise in opposition to the Helms bill on Cuba. As I have said on the floor several times before, it advances the wrong policy at the wrong time.

Fidel Castro is finally, reluctantly, finding that his government must accept the realities of the 1990's: that free trade and political liberalization are fundamental to the promotion of enlightened self-interest. As we have seen time and again, once a people have tasted the fruit of freedoms they invariably demand the only atmosphere in which free markets and human rights flourish. That, of course, is democracy and a government protective of a phalanx of rights: the free exchange of ideas and information; respect for human rights; the right to seek one's livelihood unhindered by government fiat. We are seeing the first tentative steps toward an emerging market economy in Cuba; the first steps, we can all agree and hope, which point towards and end of this dictatorship.

So I find it ironic that at the very moment when the United States is presented with the best opportunity in nearly four decades to encourage and influence the move toward positive change in Cuba, the Senator seeks to legislate that opportunity out of existence. Rather than encourage the Cuban Government to move into the 1990's, the Helms bill would have it slide back into the 1960's, dragging the administration as well into continuing and, indeed, strengthening a fossilized policy of isolation that did not work even when, it could be argued, a bipolar world justified such short-term thinking.

In fact, rather than seek to promote the kind of positive change administrations, Republican and Democratic, have sought for decades, and which at long last holds out the promise to lift the Cuban people out of the misery visited on them by Castro's totalitarian regime, the Helms bill, incredibly, would increase their pain by further isolating Cuba. It is wishful thinking—nearly 40 years of wishful thinking—that a tightened embargo will provide the final push leading to the downfall of the Castro regime. We can be certain, rather, that Castro will put this pain to good effect: if the history of recent Cuban-American relations has taught us anything, it is that to this day Castro can still rally a proud people against the bogeyman of Yanqui imperialism.

But Senator HELMS' bill does not stop at increasing the hardship of Cuba's people. It seeks to impose on other nations—close allies in many cases—extraterritorial provisions which conflict with international law and various treaties to which the United States is party. I note that the embargo is already considered by many of our allies to be a hopelessly out-dated affront to their sovereignty: the HELMS proposal will only lead to retaliation at a time when we seek their cooperation on issues of greater complexity and, frankly, of more immediate import to our national interests.

I would add, as well, that our Latin American friends see efforts such as the Helms bill as a vestige of the gunboat diplomacy which, to this day, leaves them wary of our intentions. But it is not enough that this bill would hurt the average Cuban, enrage our allies, and renew the suspicions of our Latin American friends. It would also strike at the American taxpayer. Senator HELMS would have the administration seek—in vain, in my opinion—to expand TV Marti, a failed program which figuratively and literally crashed in a Florida swamp. The Cuban people have not seen the truth from TV Marti, because they never see TV Marti.

Rather, the truth is more likely to come to them as Cuba gains more access to international television, engages in dialogs about the rest of the world, and integrates into the international community. Therefore, we should encourage policies and dialogs which will lead to the political changes and freedoms sought by the Cuban people.

The administration's October 5 announcement that it will seek to put in place measures designed to promote the flow of information into and out of

Cuba is a step in that direction. To further promote, rather than strangle, democratic transition in Cuba, United States NGO's would now be authorized to help independent Cuban NGO's provide training to Cuban human rights activists. Without employing the expensive baloondoggle of taxpayer-funded TV Marti, for example, United States news bureaus would set up shop directly in Cuba and Cuban news agencies here in the United States. The new regulations are also family friendly, easing procedures for Cuban-Americans who want to visit relatives in Cuba.

However, the proposed policy will not reward a totalitarian regime which continues to violate basic human rights with impunity. In fact, the administration proposes enhanced enforcement of the embargo and the U.S. Neutrality Act. This mixed bag approach—injecting into Castro's system the poison of free thought while continuing to restrict his access to the relief found in free trade—may not be the perfect solution. I think it is time for a new strategy in Cuba, rather than more of the same, which the Helms bill advocates and which has clearly failed. I believe an incremental approach, which minimizes the pain to the Cuban people and the cost to the American taxpayer, while making clear our determination to not do business as usual with the Castro regime, offers the best current hope of effecting change. The Helms amendment does everything but that, so I urge its defeat.

Mr. President, I yield the floor.

PRIVILEGE OF THE FLOOR

Mr. FEINGOLD. I ask unanimous consent that Juan Alsace be granted the privilege of the floor during the consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DODD. Mr. President, I yield 5 minutes to the distinguished Senator from Georgia.

Mr. NUNN. Mr. President, the Cuban Liberty and Democratic Solidarity Act currently before the Senate presents us with a difficult decision. I am sure we all favor the early return of freedom in Cuba. I am sure the sponsor of this act believes that this legislation would contribute to that aim. There are those of us, though, who have grave doubts.

Mr. President, I am particularly concerned about the impact of this proposed legislation on our Nation's national security interests. For that reason, I requested the views of our responsible military commander Jack Sheehan, commander in chief of the United States Atlantic command, under whose command Cuba falls.

I would like to share the letter I received, dated October 15, from General Sheehan, who is in direct charge of the security aspects of Cuba under his command. It says:

DEAR SENATOR NUNN: I am writing to provide my assessment of the potential effect of the Cuban Liberty and Democratic Solidarity Act * * * could have on the United States Atlantic command and operations in Guantanamo Bay, Cuba. There are currently 8,000 Cuban migrants in camps at Guantanamo Bay, down from 20,000 5 months ago. The Department of Defense has processed more than 100,000 Cuban and Haitian migrants in Guantanamo Bay over the last few years. When the migrant population was at its peak, it cost the Department of Defense over $1 million a day in operation and maintenance—money which was not in the budget. Additionally, prior to the White House policy announcement in May, we had more than 6,000 U.S. personnel in a potentially explosive situation—guarding and caring for Cuban migrants who were frustrated because there was no hope of leaving the camps.

From a military perspective, the current version of the Helms–Burton bill could create conditions for more migrants. I believe the Cuban economy is at a low point. I have this on interviews of more than 40,000 Cubans who have been through Guantanamo. They say one of the primary reasons for leaving Cuba is to be able to provide a basic quality of food and shelter for their families. The bill in its current form could further punish the people, not Castro or the privileged elites. Furthermore, rather than promoting a peaceful transition in Cuba, the bill could give Castro an excuse to maintain his focus on ''U.S. aggression,'' rather than his own failed ideology. I also question the bill's implied assumption that strengthening the embargo would lead to a revolt from within and create the conditions for a transition to democracy. Cuba is not Haiti—the circumstances which allowed for a successful intervention in Haiti, with only one American casualty, do not exist in Cuba. Any operations involving U.S. forces in Cuba would likely have a much higher cost in terms of lives and national treasury.

Our policy objective should be the peaceful transition of power in Cuba, and I support any congressional language that brings about that change.

Mr. President, in short, General Sheehan believes that our policy objective should be the peaceful transition of power in Cuba to democracy. But he does not believe the legislation before us will make a net contribution to this objective. He believes that this legislation, in fact, will have the opposite effect and that it will basically cause an increase in the very migration that has now finally subsided.

Mr. President, I hope we can work out, before this legislation is concluded, a satisfactory bill that can be agreed to on both sides of the aisle and supported by the administration. I do not believe this legislation meets that test.

I thank the Senator for the time. I yield back whatever time I have remaining.

I ask unanimous consent that General Sheehan's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMANDER IN CHIEF,
U.S. ATLANTIC COMMAND,
October 15, 1995.

Hon. SAM NUNN,
Senate, Committee on Armed Services, Senate Russell Office Building, Washington, DC.

DEAR SENATOR NUNN: I am writing to provide my assessment of the potential effect the Cuban Liberty and Democratic Solidarity Act (The Helms/Burton Bill) could have on the United States Atlantic Command and operations in Guantanamo Bay, Cuba. There are currently 8,000 Cuban migrants in camps at Guantanamo Bay, down from 20,000 five months ago. DoD has processed more than 100,000 Cuban and Haitian migrants in Guantanamo Bay over the last few years. When the migrant population was at its peak, it cost the Department of Defense over $1 million a day in operations and maintenance—money which was not in the budget. Additionally, prior to the White House policy announcement in May, we had more than 6,000 U.S. personnel in a potentially explosive situation—guarding and caring for Cuban migrants who were frustrated because there was no hope of leaving the camps.

From a military perspective, the current version of the Helms-Burton Bill could create the conditions for more migrants. I believe the Cuban economy is at a low point. I have this on our interviews of more than 40,000 Cubans who have been through Guantanamo. They say one of the primary reasons for leaving Cuba is to be able to provide a basic quality of food and shelter for their families. The bill in its current form could further punish the people, not Castro or the privileged elites. Furthermore, rather than promoting a peaceful transition in Cuba, the bill would give Castro an excuse to maintain his focus on ''U.S. aggression,'' rather than his own failed ideology. I also question this bill's implied assumption that strengthening the embargo will lead to a revolt from within and create the conditions for a transition to democracy. Cuba is not Haiti—the circumstances which allowed for a successful intervention in Haiti, with only one American casualty, do not exist in Cuba. Any operations involving U.S. forces in Cuba would likely have a much higher cost in terms of lives and national treasure.

Our policy objective should be the peaceful transition of power in Cuba, and I support any congressional language that brings about that change.

Sincerely,

J.J. SHEEHAN,
General, U.S. Marine Corps.

Mr. DODD. Mr. President, I do not see any of the proponents on the floor at this point. How much time remains?

The PRESIDING OFFICER. Three minutes, forty seconds.

Mr. DODD. Let me take the time. I presume the Senator from North Carolina may come to the floor shortly.

Mr. President, I want to spend some time this afternoon explaining the very complex issue of how the U.S. Government deals with property claims by U.S. citizens who have had their property expropriated by a foreign government and who failed to receive adequate and effective compensation for such action.

I believe that it is important to do so, because what we are prepared to do today, if we enact this pending legislation into law, is to totally reverse more than 46 years of practice on how we as a government have dealt with this question. Not only would it alter the scope of claimants who would be able to seek some remedy from the U.S. Government for acts against property held abroad, it would also change the manner in which the U.S. Government seeks to ensure that claimants are compensated.

So, how have property claims been handled in the past? for which countries? What have been the results?

Claims by U.S. citizens for losses arising from a foreign government's nationalization, expropriation, or other takeover of their property are administered under provisions of the International Claims Settlement Act of 1949. That act originally authorized the international claims commission to adjudicate claims pursuant to an agreement negotiated between the United States Government and the Government of Yugoslavia.

During ensuring years the act has been amended a number of times to authorized the commission—now called the Foreign Claims Settlement Commission—to determine claims against a number of other foreign governments, including Cuba that have expropriated property from our citizens.

The Foreign Claims Settlement Commission has already processed the claims of United States citizens who lost property in Cuba. That is why we can say with certainty today that thee are 5,911 certified U.S. claimants who have not been compensated for their losses.

It is not the responsibility of the Commission to actually make payment of the awards for these certified claims. That responsibility rests with the Secretary of the Treasury, as funds become available for payment of claims. Funds generally come available through negotiated agreements between the U.S. and the foreign government in question.

Since 1949, the Commission has undertaken claims programs in 36 countries—including most recently—Yugoslavia, Panama, Poland, Ethiopia, Bulgaria, Hungary, Romania, Italy, the Soviet Union, Czechoslovakia, Cuba, the People's Republic of China, East Germany, Iran, Vietnam, and most recently Albania. That means that the Commission has processed or is processing claims by American citizens that their property was taken by the government in question.

Claims settlement agreements have been reached with a number of these countries including Yugoslavia, Panama, Poland, Bulgaria, Hungary, Romania, Italy, China, and Vietnam. That means that the United States and the government in question have reached agreement on a sum of money which such government has agreed to provide to the United States for distribution to the claimants.

In the case of Cuban claims, the Commission evaluated some 8,800 United States claims over a 5-year review period—1967–1972—and determined that some 5,911 were in fact valid claims. Once the United States and the Cuban Government have reached agreement on a sum of money to compensate these claimants then the funds will be paid out by the Secretary of the Treasury for these claims.

In none of these cases were property claims of non-U.S. citizens included in these claims settlement procedures. One of the key qualifications in each one of these claims programs is that the claimant must first and foremost have been a U.S. citizen at the time the property was taken. The reason for this is obvious. While we may not agree with the manner in which another government regulates or otherwise makes decisions about the property of its citizens, how that issue gets resolved is to be sorted out between that citizen and his or her government.

Now, not only are we going to jettison the Foreign Claims Settlement Commission as a method of adjudicating property claims, we are going to dramatically increase the scope of claimants. The bill would change the definition of who is eligible for U.S. assistance in resolving his or her claims.

The bill before us would have the Federal district courts be the venue for resolving these suits. Any Cuban-American whose property was taken and is currently being used in a commercial activity is eligible to sue for up to triple damages for such losses.

How many claims are we talking about? There is clearly some dispute here. In one of the earlier versions of the Helms legislation, it was asserted that this figure was in the hundreds of thousands. Analysis by outside experts have indicated that there is a range of possibilities reaching as high as $430,000. No one knows for sure. Yet some in this chamber are prepared to vote for this legislation anyway, in the name of being tough on Castro.

This is the height of irresponsibility in my view. The only one that we are being tough on is ourselves and our own judicial system. The only one we are being tough on is this administration and future administrations that will have to deal with the court logjam in the context of forging normal relations with any post-Castro government.

Mr. President, let me point out to my colleagues once again that the heart of this legislation is title III of the bill. Again, briefly, what this title III of the bill will do is expand the universe, the population of those who would be able to utilize the U.S. system in order to be compensated for lands that were expropriated from them. What it does is carve out a unique group of citizens in our country—in fact, people not even citizens of this country—to be able to take advantage of our claims compensation program.

Under more than four decades of law, Mr. President, we have provided assistance to United States citizens whose lands were expropriated by a foreign government. There are some 6,000—in fact, we know the exact number, which is 5,911 claimants, who have been certified as bona fide claimants. This legislation would say that you no longer have to be a United States citizen when it comes to Cuba, that even if you are not a citizen of the United States today, but you incorporate yourself for that purpose, you can take advantage of the law that is designed specifically to assist United States citizens.

Now, Mr. President, that would expand the universe from 5,911 certified claimants to one estimate of 430,000 people, at a cost of $4,500 to process each claim. My colleagues can do the math and see the explosive costs here. Beyond the costs, there are 37 other nations in the world with whom we have expropriation cases pending on behalf of U.S. citizens. We do not carve out or create a situation where those who have left those countries and have become citizens or are not citizens of this country, but would incorporate themselves for the purpose of having those claims processed by the United States, are included. So nations such as Poland, Vietnam, People's Republic of China, and others, would not be given the same benefits, with all due respect to Cuban-Americans, Cubans who left Cuba to seek redress under this law we are adopting.

I am sympathetic to the people who had lands expropriated without compensation, but the law was written specifically to assist U.S. citizens at the time of the expropriation. If we want to change the law, we ought to do so with all nations, not just one. Certainly, Polish-Americans, those who were left in East Germany, and others, would have just as much right, it seems to me, if we are going to carve out an exception as those so poorly treated in Cuba. For that reason, title III deserves special attention.

Let me echo the comments of my colleague from Georgia. I would love nothing more than to see democracy come this evening to Cuba. But we need to think smartly, intelligently, and prudently as to how we can expedite that conclusion.

Jude Winitisky wrote an excellent piece in the Houston Chronicle, which I inserted in the RECORD last week. I encourage my colleagues to review that article.

He makes a strong case that we have a wonderful opportunity, I think, to create that kind of a change. This legislation would set us back in that process.

For those reasons, I urge my colleagues to vote against this cloture motion in hopes we might be able to come up with some sort of a bill here that makes far more sense, with all due respect, than the one that would come before the Senate if cloture is adopted. I urge the rejection of the cloture motion.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, some opponents of the pending Libertad bill, I am sad to say, appear to be willing to say almost anything to defeat this bill, a bill that Cubans inside of Fidel Castro's land are pleading with us daily to

pass so that they could have an opportunity for freedom.

These people in Cuba are writing to me every day. We have had—I do not know how many letters—50 or 60. Yet the forces who oppose this bill have repeatedly misrepresented what the bill does and have ignored the support that this bill has among the American certified claimant community as well as among Cubans inside Cuba.

Now, the record needs to be set straight about what these two groups are saying about the Libertad Act.

Last week, for example, this Senate was told that all certified claimants oppose this bill. Not so. For example, Colgate-Palmolive, a certified claimant whose stolen property is valued at over $14 million in 1960 dollars, wrote to me stating this communication is to state for the record the support of Colgate-Palmolive Co. for Senate bill S. 381. This is the bill pending right now.

Then Procter & Gamble, another company who had property seized by Fidel Castro's crowd and is therefore a certified claimant, wrote to me and said, We support this legislation as currently written, and agree with the aims and goals of the Cuban Liberty and Solidarity Act.

Then there is another claimant company, Consolidated Development Corp., whose president, Alberto Diaz-Masvidal, testified before the Foreign Relations Committee this past June in strong support of this bill.

The United States-Cuban Business Council, the largest private sector organization addressing Cuban issues of interest to businessmen—particularly American certified claimants—has actively encouraged its members to support this legislation. In September, a letter went to all of its members asserting that the Council considers the Libertad Act to be beneficial for the United States business community, protection of United States property rights, and the economic development of a free market, democratic Cuba.

Another American property owner supporting the Libertad bill is the Cintas Foundation, which is a New York charitable organization. This organization owns artwork on loan right now to the National Museum in Havana and it, too, has been victimized by Castro's thievery. In 1991, two pieces from the Cintas collection appeared for auction in London. See, what is happening? Castro is stealing this stuff and selling it overseas. The Cintas Foundation submitted testimony to the Foreign Relations Committee saying that the Libertad bill provides an important legal avenue for the Cintas Foundation to prevent any further attempts by the Castro regime to break up and sell off this valuable art collection.

These are just a few examples. Now, then, the truth deserves to be heard.

There have been specious suggestions that the Cuban people are opposed to the Libertad bill, the pending bill. Absolutely untrue. Yet it has been said on this Senate floor that that is the case.

Scores of letters and cassette tapes have been smuggled out of Castro's Cuba and delivered to me expressing support for the Dole-Helms bill or the Helms-Burton bill, or however you want to describe it.

These are Cubans who are very well aware that in speaking out against Castro they will be persecuted, to say the very least. They go ahead and speak at great personal risk because they are willing to put their lives on the line to help get this bill passed. Yet we have voices in this Senate and we have voices in the news media saying this is a terrible bill.

Mr. President, let me read from one or two of the letters. A vast number of Cuban citizens on October 8 signed a letter to me saying:

> We, as members of the internal opposition to the dictatorial regime that oppresses us, ask you, in the name of the men and women who languish in Castro's prisons or who saw the ends of their days before a firing squad, that you cooperate to remove the last tyrant in our continent.

Then they said:

> A vote in favor of Helms-Burton will bring joy and hope to all Cubans. It is not the embargo that keeps the Cuban people hungry and desperate, but the Castro dictatorship, and that, all of Cuba knows well.

Then there is an October 10 statement delivered by cassette tape representing the views of more than a dozen leaders of human rights and dissident groups in Cuba saying:

> The U.S. embargo works. The few changes that have taken place in Cuba are a result of economic, political, and diplomatic pressures. Those pressures should be intensified. We support the Helms-Burton initiative. We call upon the Executive not to veto it, if passed. It is a peaceful measure, aimed only at preventing that foreign investors continue buying from the Cuban Government properties confiscated from and not paid to United States and other citizens. By passing this bill, you will be taking a fair ethical decision in the name of freedom and democracy.

In September, the leader of another dissident group, Democratic Solidarity Party in Cuba, wrote,

> We want freedom from oppression, we want respect for our rights, but most democratic government seems to ignore this, * * * But we know that we are not alone in this problem, and you are proof of that Sir. * * * We are deeply thankful of you, and all the politicians who are not forgetting the ultimate interest of the Cuban people * * * to live in freedom and democracy.

There are many more, but I think Senators get the point, which is this: American citizens whose property was stolen by Castro want this bill passed. The Cuban people are begging that it be enacted. I simply cannot be a party to our turning our backs on them. The Cuban people deserve freedom. They are pleading for our help.

The question just will not go away. Can we in good conscience, Mr. President, turn away from them and walk away on the other side of the road?

Mr. President, I ask unanimous consent that the letters and statements previously referred to in my brief remarks be printed in the RECORD.

There being no objection, the material has ordered to be printed in the RECORD, as follows:

U.S.-CUBA BUSINESS COUNCIL,
Washington, DC, September 20, 1995.

DEAR COUNCIL MEMBER: As you know, the US-Cuba Business Council has closely monitored congressional and Executive Branch action on the Cuban Liberty and Democratic Solidarity Act of 1995 [H.R. 1868], known as the LIBERTAD Act of the Helms-Burton bill. The LIBERTAD Act has undergone significant change since the bill was originally introduced. Council members have inquired as to how the Council views the potential impact of this bill on the US business community.

The measure, in its current form, addresses many of the concerns expressed by the Executive Branch, the business community and legal scholars. As modified, we believe that the LIBERTAD Act is fundamentally consistent with the goal of current US policy on Cuba designed to foster a democratic change with guarantees of freedom and human rights under the rule of law. Congressional action on the bill may take place as early as this week.

Chapter I of the bill includes measures to strengthen the embargo against Cuba. Questions have been raised about the ''extra-territoriality'' of these provisions. As currently drafted, LIBERTAD Act is consistent with US obligations under the North American Free Trade Agreement and the General Agreement on Tariffs and Trade and does not involve secondary boycotts.

Chapter II establishes a framework for trade with, and economic assistance to, a transitional or democratic government in Cuba. Some US certified claimants have expressed concerns that Section 737 of the bill may diminish the pool of available assets for American property claimants by conditioning US assistance to Cuba on resolution of claims held by those who were not US citizens at the time of confiscation. Section 737 of the LIBERTAD Act has been significantly modified to address such concerns. As amended, this section protects the rights of certified US claimants by conditioning assistance to a transitional government in Cuba on U.S. Presidential certification that the Cuban government is taking appropriate steps to resolve property claims involving US claimants as described in Section 620(a)(2) of the Foreign Assistance Act of 1961.

A key element of the LIBERTAD Act involves measures under Chapter III to defend US property rights and discourage foreign investors from trafficking in confiscated US properties. Under these provisions, foreign firms trafficking in stolen US property in Cuba would risk action by US claimants against their US-based assets [(Chapter III) Sections 741–744] and invite US action to revoke entry visas of foreign corporate executives trafficking in confiscated US properties.

We believe these measures will enhance the leverage of US claimants seeking to discourage prospective foreign investors from trafficking in their confiscated properties in Cuba, facilitate the rapid and effective resolution of claims disputes, and level the playing field for US firms preparing to participate in the economic development of a democratic Cuba.

Some US claimants have expressed concerns about allowing Cuban American claimants to file suits against traffickers or to obtain default judgements against the Cuban government. Sections 742 and 744 of the LIBERTAD Act have also been modified to

clarify that the bill does not authorize the President to espouse the claims of naturalized US citizens in any settlement with Cuba and will not dilute the pool of assets available to US claimants. As modified, the LIBERTAD Act significantly narrows and limits the filing of suits to effectively target foreign firms trafficking in confiscated US-owned property.

In the new version of LIBERTAD, it is not possible to obtain a default judgement against the current government of Cuba. Moreover, the right of action to sue a trafficker in stolen US assets applies almost exclusively to commercial property. Claimants must provide suspected traffickers with 180 days notice before filing legal action and the case must involve property worth more than $50,000. The Cuban government claims a total of 212 joint ventures on the island. Few of those enterprises are likely to have US-based subsidiaries or other assets. Thus, only a handful of cases against foreign firms in the US would qualify for consideration in US courts. Accordingly, the Congressional Budget Office estimated that the cost of enforcement of the LIBERTAD Act would be less than $7 million. Furthermore, under current law the President could halt such suits through is authority under the International Emergency Economic Powers Act once a transition regime is in power in Cuba.

On balance, the Council considers the LIBERTAD Act, in its current form, to be consistent with the Council's mission statement and beneficial for the US business community, protection of US property rights, and the economic development of the free market, democratic Cuba.

Please contact me or USCBC Executive Director Tom Cox in our Washington office (202) 293–4995 if you need further information on issues relating to this measure. I look forward to hearing from you.

Best regards.

Sincerely yours,

OTTO J. REICH.

COLGATE-PALMOLIVE CO.,
New York, NY, June 20, 1995.

Subject: Cuba

Chairman HELMS,
U.S. Senate, Committee on Foreign Relations, Washington, DC.

DEAR MR. CHAIRMAN, This communication is to state for the record the support of Colgate-Palmolive Company for Senate Bill S. 381 in the form of its June 12, 1995 draft.

Sincerely,

EMILIO ALVAREZ-RECIO.

ADOLFO FERNANDEZ SAINS,
PARTIDO SOLIDARIDAD DEMOCRATICA,
Havana, September 12, 1995.

Hon. SENATOR JESSE HELMS,
U.S. Senate,
Washington, DC.

HON. SENATOR JESSE HELMS: We admire your courage, and we thank you for your help.

We regret that you are so right. Because you are right sir, if you were wrong, than we the cuban people would be facing a lesser problem, but our problem is serious indeed. We want freedom from oppression, we want respect for our rights, but most democratic governments seem to ignore this, most important newspapers ignore this, but we know that we are not alone, in this problem, and you are aproof of that Sir.

Our problem is, that we are rule by intolerance. We are not going to ignore this, and we should not reward intolerance.

A glance at the conduct of the cuban government will tell you, the only language they understand is might, and never reason.

Some seek dialogue, we deeply regret that they are wrong. They are trying to dialogue with a non-repentant dictator with all the power in his hands.

We would certainly prefer dialogue, but we cannot ignore the truth.

Our prisons are full of political prisoners, and convicts, that are convicts only in Cuba, their crimes are crimes only in Cuba.

Our problem is not only economic, solving the economic problem, and ignoring the political one, would leave us in the hands of tyranny.

America has the right to defend their property, economic sanctions are right, they are applied daily everywhere.

We are deeply thankful of you, and all the politicians who are not forgetting the ultimate interest of the cuban people, the ultimate right of the cuban people, to live in freedom, and democracy.

Our struggle is not about the right we have to invest in our own country, that is obvious. We are not opposing Fidel Castro's government, because we want to be the owners of a laundry shop, or a bar, or even a sugar factory.

We want all that for our people, but we also want to publish an article in a newspaper, to establish an association independent from the government, to create a political party without having to go to prison for that.

Nobody should forget or ignore this. We think that the U.S. government has so far understood this, and has remain firm, and we appreciate it deeply.

You have been extremely generous with the cubans, so we are very thankful to you, Senator personally, for all you have done for us in this very difficult time, of our history, and we have a history of friendship, and understanding, and good neighborliness between our two people, and we want to go back to that situation again.

ADOLFO FERNANDEZ SAINS.

PARTY OF DEMOCRATIC SOLIDARITY,
City of Habana, October 8, 1995.

DISTINGUISHED U.S. SENATORS: Today you are not simply debating a law, you are debating the future of a nation. We, as members of the internal opposition to the dictatorial regime that oppresses us, ask you, in the name of the men and women who languish in Castro's prisons or who saw the end of their days before a firing squad, that you cooperate to remove the last tyrant in our continent. It is dishonorable to allow a dictator, who with terror maintains an entire nation in the dark ages, to continue to blatantly ignore the rights of the men and women in the land of José Martí.

A vote in favor of Helms-Burton in the Senate of the U.S. will bring joy and hope to all Cubans. It is not the embargo that keeps the Cuban people hungry and desperate, but the Castro dictatorship, and that, all of Cuba knows well.

May God illuminate you and allow you, and the rest of the world, to clearly declare enough is enough! to the bloody dictatorship that misgoverns our country.

MIGUEL ANGEL ALDANA RUIZ,
President of the Marti Civic League.
RAMON VARELA SANCHEZ,
(In detention), Vice-president.
ANNIA NAVARRO GONZALEZ.
OMAR ACOSTA RODRIGUEZ.

OCTOBER 10, 1995.

Message to: Senator Robert Dole, President of the Senate, Senator Jessie Helms, Chairman of the Foreign Relations Committee, the U.S. Senate.

Cuba is the country with the highest rate of suicide, prisoners, exiled nationals and abortions in the Americas, and probably in the whole world. That will be enough to oppose Castro's government, even if it were not a 36 year old dictatorship that has plunged the Cuban people into poverty, divided the Cuban family, and brought to the country an ideology, enemy of Democracy and Freedom, alien to our traditions and our environment, and on behalf of which the human rights of the Cuban people are violated.

The Cuban government has not shown the necessary political will to bring about changes in the country. We believe that the Cuban government does not understand any language, other than pressure, and coercion measures. Even if the Cuban government decided to effect a true economic reform, leading to a market economy, something it has not done, and in our opinion, will not do, we would still be in the hands of a dictatorship.

President Clinton recently announced a package of measures, adopted unilaterally by the U.S. Government in relation to Cuba. We consider it counter-productive to send the Havana regime a mixed signal, giving them a certain hope that with our holding free, fair and internationally supervised elections, an amnesty for all political prisoners and legalizing the internal opposition, they could get rid of the U.S. Embargo.

The U.S. Embargo works. The few changes that have taken place in Cuba are a result of economic, political and diplomatic pressures. Those pressures should be intensified. We support the Helms-Burton initiative. We call upon the Executive not to veto it, if passed. It is a peaceful measure, aimed only at preventing that foreign investors continue buying from the Cuban government properties confiscated from and not paid to, U.S. and other citizens. Those investments only completed to extend the suffering of the Cuban people.

Distinguished Senators, you are facing an ethical alternative, where you choose whether you support or not this Bill, know that you are choosing between the weak and the powerful. The weak are the Cuban people, torn by so much pain and suffering. The powerful are Fidel Castro's totalitarian and anti-democratic government, that continues to make decisions affecting our lives and compromising the future of the whole people, without ever submitting to the will of those people in the ballot box. By passing this Bill, you will be taking a fair ethical decision in the name of Freedom and Democracy, which you enjoy fully as their main advocates in today's civilized world.

Finally, a word of thanks to the American people and their Government, and for the support, the solidarity and generosity that historically they have extended to the Cuban people.

And now, from Cuba, signing this document on behalf of their respective organizations:

Partido Solidaridad Democratica, Hector Palacio Ruiz, President and Fernando Sanchez Lopez, Vice President, and National Executive; on behalf of Partido Democrata 30 de Noviembre Frank Pais, Osmel Lugo Gutierrez, Vice President; on behalf of ALFIN, Asociacion de Lucha Frente a la Injusticia Nacional, Beatriz Garcia Alvarez, President, Fernando Alfaro Garcia, Vice President; on behalf of Liga Civica Juvenil Martiana, Miguel Aldana Ruiz, President, Ania Navarro Gonzalez, Vice President; on behalf of Partido Pro Derechos Humanos en Cuba, Lazaro Gonzalez Valdes, President; on behalf of APAL Independiente, Juan Jose Perez Izquierdo, Vice President, and Vicente Escobar Rivero; on behalf of Corriente Liberal Cubana, Juan Jose Lopez Diaz, President; on behalf of Asociacion Ecologista y Pacifista de Cuba, Leonel Morejon Almairo, President; on behalf of Movimiento

Democrata Cientifico, Juan Rafael Fernandez Peregrin, President; on behalf of Comite Cubano de Opositores Pacificos Independientes, Victoria Ruiz, President, and Lazaro Garcia Cernuda; on behalf of Movimiento Maceista por la Dignidad, Isidro Herrera Carrillo, President; on behalf of Frente Femenino Humanitario, Gladys Linares, President; on behalf of Consejo Medco Cubano Independiente, Jesus Marante Pozo, President, and Dianeli Garcia Gonzalez; on behalf of Frente Maximo Gomez from Pinar del Rio, Jose Angel Chente Herrera, President, Juan Jose Perez Manso, and Julio Cesar Perez Manso.

Also signing this document are a number of independent activists: Norman Brito Hernandez Human Rights Activitist, Rafael Solano, a Journalist and president of Havana Press News Agency, Hector Paraza, Journalist, also from Havana Press, Raul Rivero, a Poet and Journalist, President of Cuba Press News Agency, Miguel Fernandez, a Journalist, Vice President of Cuba Press News Agency, and Ana Luisa Lopez Baeza, a Journalist, also from Cuba Press News Agency.

This document was produced in Havana City, on 10 of October, 1995, and your speaker is Adolfo Fernandez Sainz, from Democratic Solidarity Party.

Thank you very much.

[Source: Radio Marti, Havana, Sept. 21, 1995]

COMMENTS BY MIGUEL ANGEL ALDANA, EXECUTIVE OF THE COALITION FOR A DEMOCRATIC CUBA AND MEMBER OF THE MARTI CIVIC LEAGUE

At this time, we ask the U.S. Government and we ask President Bill Clinton to support the Helms-Burton bill, because it's the only way to free the Cuban people. It's the only way that our human rights groups and the political opposition are going to feel strong. If that bill is not passed, the Fidel Castro dictatorship, which is crushing the Cuban people, and which is committing injustices daily, is going to get stronger. It's deceiving the U.S. Government, the way it did with the boat people. It obligated the U.S. Government to sit down at the negotiations table. They're laughing at the American government, they're laughing at the entire world, and they're doing away with the Cuban people.

We ask the U.S. Senate and House of Representatives to support those Senators, and we ask the American people to support the Helms-Burton bill so that once and for all the Cuban people will be freed from a dictatorship of more than 36 years that is leading and subjecting the people of Cuba to injustice and abuses, and killing children, women and the elderly from hunger.

When here the diplotiendas [stores for the elite with cash] and the markets are full of food, the Cuban government is alleging that there's an embargo, or blockade. The only blockade here is the Fidel Castro dictatorship.

This bill has to be passed because the freedom that the people of the U.S. enjoy has to be shared. This law is necessary!

A MESSAGE TO SENATE MAJORITY LEADER BOB DOLE, SENATE FOREIGN RELATIONS COMMITTEE CHAIRMAN JESSE HELMS, AND THE ENTIRE UNITED STATES SENATE FROM THE DEMOCRATIC SOLIDARITY PARTY

Cuba is the country with the highest rate of suicides, political prisoners, exiled nationals, in the Americas, and perhaps, in the whole world. That would be enough to oppose Castro's government even if it were not a 36 year old dictatorship that has plunged the Cuban people into poverty, devided the Cuban family, and brought to the country an ideological enemy of democracy and freedom alien to our traditions and environment and on behalf of which the human rights of the Cuba people are violated.

The Cuban government has not shown the necessary political will to bring about changes within the country. We believe that the Cuban government does understand any language other than pressure and coercive measures. Even if the Cuban government decided to effect a true economic reform leading to a market economy, something it has not done and will not do, we would still be in the hands of a dictatorship.

President Clinton recently announced a package of measures adopted unilaterally by the U.S. government in relation to Cuba. We consider it counterproductive to send the Havana regime a mixed signal, giving them a certain hope that without holding free, fair, and internationally supervised elections, an amnesty for all political prisoner, and legalizing the internal opposition, they could get rid of the U.S. embargo.

The U.S. embargo works. The few changes that have taken place in Cuba are a result of economic, political and diplomatic pressures. Those pressures should be intensified. We support the Helms-Burton initiative. We call upon the Executive not to veto it if passed. It is a peaceful measure aimed only at preventing that foreign investors continuing buying properties confiscated from and not paid to U.S. and other citizens. Those investments only contribute to extending the suffering of the Cuban people.

Distinguished Senators, you are a facing an ethical alternative. When you choose whether to support or not this bill know you are choosing between the weak and the powerful. The weak are the Cuban people, torn by so much pain and suffering. The powerful are Fidel Castro's totalitarian and antidemocratic government that continue to make decisions effecting our lives and compromising the future of the whole people without ever submitting to the will of those people in the ballot box.

By passing this bill you will be making a fair ethical decision in the name of freedom and democracy, which you enjoy fully as the main advocates in today's main civilized world.

Finally, a word of thanks for the American people and their government, for their support, solidarity, and the generousity that they have historically extended to the Cuban people.

And finally, in this message from the Cuba Democratic Solidarity Party president Hector Palacio Ruiz, vice-president Osmel Lugo Guttirez, and the national Executive; by the 30th November Democratic Party ''Frank Pais''; and on behalf of Rafael Ibarra Roque who is in prison; the Association for the National Struggle for Justice, Beatrice Garcia Alvarez, president, Reinaldo Fargo Garcia, vice-president; Marti Youth Civil League, Miguel Angel Aldana Ruiz, president, Amnia Navarro Gonzalez, vice-president; the Pro-Human Rights Party of Cuba, Lazaro Gonzalez Valdes, president; Ampare Independiente, Juan Jose Perez Izquierdo, vice-president, Vincente Escobar Trabiero; the Liberal Cuban Current, Juan Jose Lopez Diaz, president; on behalf of Association of Cuban Pacificists, Leonel Morejon Almagro, president; on behalf of the Scientific Democratic Movement, Juan Rafael Fernandez Pelegrin, president; on behalf of the Cuban Committee Independent Pacifists in Opposition, Vicotrio Ruiz, president, Lazaro Garcia; Maceo Movement for Dignity, Isidro Carrera Carillo, president; on behalf of the Women's Humanitarian Front, Gladys Linares, president; on behalf of the Independent Cuban Medical Council, Jesus Marante Pozo, president, Ana Beoneles Gonzalez, on behalf of the Maximo Gomez Front from Pinar del Rio Province, Jose Vincente Herrera, president, and Juan Jose Perez Manzo and Julio Cesar Perez Manzo; and also a number of independent activists who are also signing this document, Norma brito Hernandez, an activist of human rights, Rafael Solano, a journalist who is president of Havana Press News Agency, Hectro Peraza, journalist, also from Havana Press, Raul Ribero, poet, journalist and president of Cuba Press News Agency, Miguel Fernandez, journalist, vice-president of Cuba Press, Ana Luisa Lopez Baeza, journalist from Cuba Press.

This document is signed in Havana, October 10, 1995.

Thank you very much.

TRANSLATION OF INTERVIEWS WITH CUBAN DISSIDENTS, SEPTEMBER 24, 1995

New Jersey, United States, Sunday, September 24, 1995. The Revolutionary Movement of the 30th of November this week held interviews with several organizations in Cuba so as to know their opinions with regard to the bill proposed by Senator Jesse Helms and Congressman Dan Burton, a law that was approved by the Congress this past Friday, 21 of September.

The first interview is with Osmel Lugo, Vice-president of the Democratic Party, November 30 in Cuba. For those who don't know, the President of this party, Mr. Rafael Ibarra is in jail completing a 20 year sentence for his ideas contrary to those of the Castro regime:

November 30 Democratic Party, special communique that reflects the opinions of our organization.

In more than 36 years of the Castro regime never have human rights been respected and the desire for development, prosperity and liberty has been ignored for the Cuban people now for more than three decades. In Cuba, when the U.S. embargo wasn't even mentioned, and it was a time of need, already more than 70% of imports were covered by the European Communist markets. Unfortunately the Soviet Union sustained and maintained the Cuban economy in exchange for a military base called Cuba and not even then were we allowed to enjoy our civil, political and human rights and we have never been able to rid ourselves of the ration card that limits us to what and when we can eat. The Cuban government has not shown any interest in solving the serious problems affecting the country even though government and non-government organizations as well as other countries and governments have made recommendations for this out of compassion for the tough conditions the Cuban people are being put through. The Cuban government has not only not shown signs of any interest of a political process for change to a democratic and representative government, but it remains in complete immobility since it does not wish to lose the throne of absolute power with which it has been able to govern the country with an iron fist. Fidel Castro, as the most faithful representative and highest ranking official of the Cuban government has expressed and continues to express so that there will be no misunderstandings his known phrase ''Socialism or death.'' ''Socialism or death'' means or his type of government or death with as much transparency as macabre is the phase. The only solution Castro offers the Cuban people is death or to live under his system of death itself. And if several reforms have been taking place in the economic field, reform measure which, may we add, could be easily reversed, it has been simply to gain some time and accommodate his needs of the moment more than to try and solve the despairing social conditions. So we harbor no false hopes that the lifting of the economic sanctions will change the will of those who try to stay

in power or that they will put the dictatorial regime which allows them to on the line. The end or lifting of the embargo would not guarantee the respect of the civic, political and human rights of the Cuban people or bring democracy to our country. Rather, it would strengthen the totalitarian and dictatorial regime that has destroyed Cuban society sinking it into misery, indigence and mental slavery, facilitating it the millions it needs to develop and perfect its repressive apparatus the base and principle of its power. The lifting of the embargo will not bring an amnesty for all the political and conscience prisoners. It will not return the life of hundreds of thousands that have died at the hands of the regime or of those who have lost their lives trying to escape through the Florida straits. Nor will it allow the recovery of the remains of more than 42 people killed during the homicide that took place in the sinking massacre of the ''13 de Marzo'' tugboat for which the regime hasn't even allowed flowers to be thrown in the sea. The embargo is not the cause of Cuba's problems, it is actually the solution to these. Intolerance is the only thing that should not, and cannot be tolerated. The November 30 Democratic Party Frank Pais ratifies its support for the bill for democracy in Cuba and even asks for the globalization and internationalization of sanctions against the Cuban government. We thank the U.S. legislators that voted in favor of Helms-Burton and we recognize their good will to contribute to the democratization and liberty of the Cuban nation. At this same time, we exhort the President of the United States, Bill Clinton, to not veto this law if he truly wishes that Cuba be among the democratic countries of the world where human rights are respected and recognized.

Signed by the Democratic Party November 30. Dated in the City of Havana on the 21st day of September, 1995.

Interview with Rafael Solano, president of Havana Press

SERGIO GATRIA from New Jersey. We want your opinion regarding the debate this week in the House where the name of Havana Press, your name, Jose Rivero's, who are journalists who are being persecuted in Cuba, we want to know what your opinion is with regard to these Congressmen who were defending you.

SOLANO. Well, let me tell you that when I first received the news I was very excited. Family members in Miami called me that on the U.S. TV channels my name was appearing. In other words, a series of personalities in this Congressional session spoke about persecution and where it affects me directly. As President of Havana Press I am very grateful to these people, among who are Ileana Ros-Lehtinen, Lincoln Diaz-Balart, Robert Menendez, Robert Torricelli, Senator Jesse Helms and Congressman Solomon from New York. That is an incentive for all the independent press in Cuba, that people within the U.S. government defend the independent press and that encourage us to continue our task in this country that censors the freedom of expression, it inspires us to continue exercising independent journalism. I can sincerely tell you that I am very grateful to these individuals and I believe history will one day pick up these names that fight civically so that we, the independent journalists, can continue practicing our careers without the harassment from the repressive organs of this government.

GATRIA. Have you continued to be persecuted?

SOLANO. Yes. As everyone knows, last week I was arrested by three officials of our country's State Security. I personally, as director of Havana Press, am threatened with 10 years of jail for the crime of enemy propaganda. In other words, in our country, he who expresses himself freely is considered as a person who issues enemy propaganda. However, the Constitution states that every Cuban citizen has the right to express himself freely and change ideas, but in practice, it is not allowed. Our position is that if we have to go to jail for our cause, free press, the independent press of which Jose Marti dreamt about, we are willing to take that risk.

GATRIA. Are you the only journalist that has been arrested or have there been others?

SOLANO. Well Mr. Jose Rivero was also arrested in the past few days. I was arrested on Thursday and he was arrested on Friday; he also suffers from government harassment by the State's Security Forces. I think the free press is an instrument to make public the true Cuban reality and that is what the government is afraid of, but, when we feel the support of people like the ones I mentioned we are inspired and we love our fight for a free press in Cuba even more.

GATRIA. You also said that several journalists were being attacked didn't you?

SOLANO. Well actually, I have next to me the Vice-President of Havana Press who has actually been attacked because they have launched a wave of attacks against independent journalists, supposed delinquents have attacked independent journalists and I would like you to speak to Julio Martinez so that he can tell you what happened.

GATRIA. So you were attacked?

MARTINEZ. Yes, I was attacked by two unknown assailants the morning of the 15th of September when I was headed home. They immobilized me and took my jacket, shirt and tie and they left me with pants and shoes.

GATRIA. Do you think that was a normal mugging or have there been other attacks against journalists?

MARTINEZ. Solano was attacked by two unknowns after he interviewed the ex-lieutenant Colonel Labrada. Rail Rivero was also attacked a few days before and they stole his briefcase. I was the last to be attacked.

GATRIA. So it is a strange coincidence that there have been so many muggings of Cuban journalists.

MARTINEZ. They must simply be categorized as suspicious muggings.

GATRIA. Do you have anything else to add, Martinez?

MARTINEZ. I want to congratulate those U.S. government individuals who have come out in defense of the independent journalists in Cuba. I especially want to thank Ileana Ros-Lehtinen and the gentlemen Lincoln Diaz-Balart and Bob Menendez who are Cuban.

GATRIA. You know that Helms-Burton was approved in the House . . .

SOLANO. Did it have more than the two thirds?

GATRIA. Almost 300 votes . . . Has there been any reaction from the Cuban people?

SOLANO. So it had a great majority. Well, I don't think the Cuban people are very aware of what's happened, maybe the Cuban press will have something today. You know that the Cuban government had launched a huge campaign to stop Helms-Burton, holding meetings in the streets, at work. We had a favorable reaction to the approval of the bill and we gave our reasons in Cuba's free press.

Interview with Elizardo San Pedro Marin, president of Democratic Solidarity Party

GATRIA. I need you to state your name, the organization and your opinion regarding Helms-Burton.

SAN PEDRO MARIN. We consider the approval of Helms-Burton in the House is a very positive step that brings us closer to a peaceful transition to democracy. The Cuban government has felt the effects of the U.S. economic embargo after the fall of the socialist bloc and it began to issue changes in the economic sector, not in the political but in the economic to try and retain its power. All this foreign investment and looking for foreign investors shows that they have no means within the country they have no solution to the problems we face. And so the fight against Helms-Burton has become the Cuban government's foreign relations priority and they have been using all their time and manpower to fight against it. There is still a lot of territory for the Helms-Burton bill to cover but I believe the reasonable outcome will be reached, that the bill will be approved. The Cuban government doesn't understand any other kind of language except this style, it is a government that is known for its intolerance. So I think it is very positive that this bill was approved because it is a commitment by the U.S. Congress to democracy in Cuba. And even though we Cubans know that we are the ones responsible for the changes within the island, we also need the support from the U.S. government and this time we have it.

GATRIA. Do the other dissidents in Cuba have the same criteria?

SAN PEDRO MARIN. There are all different kinds of opinions among the dissidents. Of course there are dissidents who think there are other alternatives to the situation, such as the embargo being lifted, establishing a dialogue, that Helms-Burton not be approved etc., but the Cuban government has never stated that those changes will help to bring about any kind of political change. For example, the Cuban government has never stated that in exchange for something it will release political prisoners, it does not recognize the internal opposition, it doesn't speak about a free electoral process, and it doesn't even speak about asking the people if they want ''Socialism or Death'', or if they want pluralism and democracy. in other words, there can be no concessions to the Cuban government if the Cuban government has no intention of solving any of its internal political problems.

GATRIA. What is the opinion of the majority of the Cuban people with whom you have spoken?

SAN PEDRO MARIN. The people don't know this bill. The legislation has not been published by the Cuban press. The people only know sections, details, partial or manipulated information so the people really don't know. And even the free press that reaches them, like Radio Marti, only broadcasts sections of the bill so the people don't know. I'm sure that there are people who don't understand it and don't share this criteria but I think what the people need right now is that this bill be approved and made law.

Interview with Raul Rivero, Cuba Press

GATRIA. Helms-Burton was passed in the House, would you like to make a statement?

RIVERO. Well, I signed a letter from the Democratic Solidarity Part (Sampedro Marin) on a personal level, I'm not a member of any political party but I signed it as a journalist and as a Cuban. I support the bill, I believe in it. It may seem strange and there has been a lot of controversy that people could want more pressure on their country, the problem is however, that there is no foreign blockade, only an internal one that causes damage, that is stuck on us by the government, that is the true blockade that hurts the people. The true blockade as I said is an internal one, issued by a group of people who wish to stay in power and that is what has this country in ruins, not just in material ruin, but a spiritual ruin.

Interview with Jose Rivero, Cuba Press

GATRIA. Your names were mentioned and the persecution suffered.

RIVERO. Well, it's something that has been happening for the past couple of months against the members of the free press and they seem to have it in especially for Solano and myself. Especially after the 13 of July, the anniversary of the sinking of the ''13 de Marzo'' tugboat, since the 11th or 12th we've been visited by these people who harass us and try to manipulate us and now around the 15th of this month when we were arrested for a couple of hours. We know that this is how it is going to be and it is nothing out of the ordinary where dissidents are concerned. Against members of political or human rights groups there has always been repression, against journalists it is a more sensitive issue.

GATRIAL. What does the government want you to do?

RIVERO. They want us to leave. They don't care if we practice journalism is the U.S. or Europe they just don't want us here so that they can protect their public image which as you know is very important to them and that is why they have always tried to monopolize the press.

CLOTURE MOTION

The PRESIDING OFFICER. All time has expired. Under the previous order, pursuant to rule XXII, the clerk will report the motion to invoke cloture.

The bill clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate do hereby move to bring to a close debate on the substitute amendment, calendar No. 202, H.R. 927, an act to seek international sanctions against the Castro government in Cuba:

Senators Robert Dole, Jesse Helms, Bob Smith, Bill Frist, John Ashcroft, James M. Inhofe, Paul Coverdell, Spencer Abraham, Larry E. Craig, Trent Lott, Rod Grams, Frank Murkowski, Fred Thompson, Mike DeWine, Hank Brown, and Charles E. Grassley.

CALL OF THE ROLL

The PRESIDING OFFICER. By unanimous consent, the quorum call has been waived.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the substitute amendment (No. 2898) to H.R. 927, the Cuban Liberty and Democratic Solidarity Act, shall be brought to a close?

The yeas and nays are required under the rules.

The clerk will call the roll.

The bill clerk called the roll.

Mr. LOTT. I announce that the Senator from Oregon [Mr. HATFIELD] is necessarily absent.

Mr. FORD. I announce that the Senator from Nebraska [Mr. EXON], the Senator from Maryland [Ms. MIKULSKI] and the Senator from Illinois [Ms. MOSELEY-BRAUN] are necessarily absent.

I further announce that, if present and voting, the Senator from Illinois [Ms. MOSELEY-BRAUN] would vote ''no.''

The PRESIDING OFFICER (Mr. ABRAHAM). Are there any other Senators in the Chamber who desire to vote?

The yeas and nays resulted—yeas 59, nays 36, as follows:

[Rollcall Vote No. 489 Leg.]

YEAS—59

Abraham	Frist	McCain
Ashcroft	Gorton	McConnell
Bennett	Graham	Murkowski
Bond	Gramm	Nickles
Bradley	Grams	Pressler
Brown	Grassley	Reid
Bryan	Gregg	Robb
Burns	Hatch	Roth
Campbell	Heflin	Santorum
Chafee	Helms	Shelby
Coats	Hollings	Simpson
Cochran	Hutchison	Smith
Cohen	Inhofe	Snowe
Coverdell	Kempthorne	Specter
Craig	Kyl	Stevens
D'Amato	Lautenberg	Thomas
DeWine	Lieberman	Thompson
Dole	Lott	Thurmond
Domenici	Lugar	Warner
Faircloth	Mack	

NAYS—36

Akaka	Feingold	Kohl
Baucus	Feinstein	Leahy
Biden	Ford	Levin
Bingaman	Glenn	Moynihan
Boxer	Harkin	Murray
Breaux	Inouye	Nunn
Bumpers	Jeffords	Pell
Byrd	Johnston	Pryor
Conrad	Kassebaum	Rockefeller
Daschle	Kennedy	Sarbanes
Dodd	Kerrey	Simon
Dorgan	Kerry	Wellstone

NOT VOTING—4

Exon	Mikulski
Hatfield	Moseley-Braun

The PRESIDING OFFICER. On this vote, the yeas are 59, the nays are 36, three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, what is the pending business now?

The PRESIDING OFFICER. The pending business is the Ashcroft amendment in the second degree to amendment No. 2916.

Mr. BUMPERS. Is that the Ashcroft amendment?

The PRESIDING OFFICER. In the second degree.

Mr. BUMPERS. An amendment would not be in order to that amendment?

The PRESIDING OFFICER. The Senator is correct. It is in the second degree.

Mr. BUMPERS. I thank the Chair.

The PRESIDING OFFICER. Who seeks recognition?

Mr. BUMPERS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ASHCROFT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2916, AS MODIFIED

Mr. ASHCROFT. Mr. President, I come to the floor to make a motion in regard to the second-degree amendment which I have submitted to this body. It is an amendment related to term limits. I believe that it is a substantial question and item on the agenda of the American people. All the polls indicate overwhelmingly that the people favor term limits. Forty States term limit their Governors; 20-some States have attempted to term limit the U.S. Congress.

The amendment before the U.S. Senate is a simple one. It says:

It is the sense of the Senate that the United States Senate should pass a constitutional amendment limiting the number of terms Members of Congress can serve.

Members of this body have debated this issue on this occasion and on previous occasions. The pros and cons are well known. I do not believe we will settle this issue with a sense-of-the-Senate resolution, but I do believe it is possible for us to identify those of us who are for term limits and those of us who are against term limits.

In order to get this vote, I have conferred with the majority leader, and I have modified the amendment so as to make it consistent with his agreement with the rest of the freshman class on the Republican side and others that the amendment itself should be voted on next April.

Thus, this amendment merely says that it is the sense of the Senate that we should pass a constitutional amendment limiting the number of terms that Members of Congress can serve. I want to express my appreciation to the majority leader for his cooperation in this respect.

Last week, he assured me that he would do his best to assist me in getting a vote on this matter at the earliest possible time this week, and here we are on the first day of our deliberations this week, and we will have an opportunity to vote in this respect.

The procedure which I intend to invoke in order to have this vote is a motion to table the amendment. Those who vote against tabling would be voting in favor of term limits; those who vote in favor of tabling, would be voting against term limits. But this will provide an opportunity for us to vote on this most important issue.

So, Mr. President, I now move to table the Ashcroft second-degree amendment regarding the limitation of congressional terms, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, if I can take 1 minute or 2 minutes of leader time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I do not have any objection to the vote. I am going to vote against tabling the resolution. But as I indicated when we were

requested by nearly every group who is supporting term limits, in addition to the Christian Coalition, I thought nearly every Member, every Member of the freshman class and others, we did accommodate them by saying we would have the vote later. Some suggest next April, which would give them time to do whatever they do in that time to encourage more people to vote for term limits.

So I do not have any problems with the efforts of Senator ASHCROFT. I was prepared to bring it up 3 weeks ago, but I must say the same thing happened with the flag amendment. We asked about it, and then all the people who support the flag amendment said, ''Oh, we have to have more time.'' All right, we will give you more time.

I am not certain when that amendment will be brought up, or if they would like to do it later this year. I am not certain we will have time. We had time last week and the week before. We had time for term limits. I assume by next April we will have some additional time. I cannot set an exact date. All this resolution says is that we should vote sometime on term limits. I do not have any problem with that. So I hope the amendment will not be tabled.

Mr. President, I ask unanimous consent that letters from the supporters of term limits requesting that I reschedule the term limits vote for next year be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

CHRISTIAN COALITION,
Chesapeake, VA, October 13, 1995.

Hon. ROBERT DOLE,
Majority Leader, U.S. Senate, Washington, DC.

DEAR SENATOR DOLE: The Cristian Coalition thanks you for granting our request to reschedule a vote on a constitutional amendment to provide for term limits until next year.

Postponement of the vote should increase our prospects for success as the Senate will not be in the midst of deliberations on reconciliation and appropriations bills, and 1996 will be an election year.

Thank you for your leadership and for your support for term limits.

Sincerely,

BRIAN LOPINA,
Director, Governmental Affairs Office.

AMERICANS BACK IN CHARGE,
Washington, DC, October 12, 1995.

TERM LIMITS ACTIVISTS APPLAUD SENATOR DOLE FOR RESCHEDULING TERM LIMITS VOTE; PLEDGE TO MOBILIZE GRASSROOTS SUPPORT FOR ISSUE

WASHINGTON, DC.—Term limits activists today applauded Senate Majority Leader Bob Dole (R–KS) for agreeing to their request to reschedule the Senate vote on term limits.

''We applaud the willingness of Sen. Dole to reschedule the first ever Senate floor vote on a term limits constitutional amendment,'' said Cleta Mitchell, Director/General Counsel of Americans Back in Charge in Washington, D.C. ''We requested that Sen. Dole reschedule the vote on term limits until next year. We believe it is in the best interests of the issue to be able to focus public attention on term limits for the weeks leading up to the Senate vote and that is not possible at this time, with the congressional focus on the budget, taxes and Medicare. It would not be fair to term limits for the vote to occur now and we are pleased that Sen. Dole agreed to our request that floor action be rescheduled.''

''Term limits is an issue of fundamental importance and one that the American people care about. Over 25 million votes have been cast in favor of term limits in the past five years in elections held in 22 states. Ultimately, the members of the U.S. Senate will be called upon to make a decision as to whether they intend to honor or ignore the obvious will of the American people. We want to be certain that when that day comes, the people have had a full and fair opportunity to weigh in on the issue with their Senators, reminding the Senate of the public support for term limits. We look forward to working with our principal author, Sen. Thompson and the other members of the Senate supporting term limits to build the Senate between now and next spring when SJ Res 21 comes to the Senate floor.''

Americans Back in Charge is the first national term limits organization, which grew out of the 1st in the nation Colorado state term limits effort in 1989–90. Other groups participating in the Term Limits Coalition include American Conservative Union, Council for Citizens Against Government Waste, Council for Government Reform, Seniors Coalition, and the Christian Coalition.

[News Release from Fred Thompson, U.S. Senator, Tennessee, Washington, DC, Oct. 12, 1995]

THOMPSON THANKS DOLE FOR RESCHEDULING TERM LIMITS VOTE

WASHINGTON, DC.—Senator Fred Thompson (R–TN) today thanked Senate Majority Leader Bob Dole for his willingness to reschedule a Senate floor vote on Thompson's term limits Constitutional amendment from this week to early next year.

''The Majority Leader has provided supporters of term limits with an opportunity to maximize the public's involvement in this critical debate,'' Thompson said, ''while at the same time giving term limits backers in the Senate the time to urge their colleagues in the strongest terms to support the amendment. Make no mistake, it is in the best interest of the term limits movement that this Senate vote come next April.''

Thompson pointed out that a vote now, in the midst of the Senate debate over the budget and appropriations legislation, would not receive the public or Senate attention it deserves.

Eight other Senate freshmen joint Thompson on a letter delivered to Majority Leader Dole on October 4 requesting that the vote be rescheduled in April. In addition, the Term Limits Coalition—which includes Americans Back in Charge, American Conservative Union, Christian Coalition, Council for Government Reform, Seniors Coalition, Council for Citizens Against Government Waste and National Taxpayers Union—strongly urged in a separate letter that Dole delay the floor debate and vote.

U.S. SENATE,
Washington, DC, October 3, 1995.

Hon. BOB DOLE,
Majority Leader, U.S. Senate, Washington, DC.

DEAR SENATOR DOLE: As the primary sponsors and supporters of Senate Joint Resolution 21, the constitutional amendment to limit congressional terms, we are joining forces to request that the Senate postpone any scheduled vote on SJ Res 21 until April, 1996.

We have been meeting with and discussing the upcoming term limits vote in the Senate with those individuals and organizations who are most dedicated to passage by Congress of the term limits constitutional amendment. Those who are prepared to lead the effort to round up votes for SJ Res 21 are in agreement that it makes little sense to bring the issue to the Senate floor for a vote this fall when the Senate is otherwise wholly absorbed with the crucial budget issues.

Supporters of term limits have indicated to us that the crush of other legislative business pending before the Senate over the next two months will make it difficult, if not impossible, for term limits to receive the kind of attention from the Senate and the American people that it deserves.

We do not propose an indefinite postponement of the first recorded vote on the term limits amendment. Rather, we would specifically ask that the resolution be scheduled for a vote in April, 1996. By making this change in the schedule, we believe that it will enable the Senate leadership to work with term limits supporters inside and outside the Senate to achieve the maximum possible support for SJ Res 21.

Please let us know at your earliest possible convenience your response to this letter so that those of us committed to term limits can have the certain knowledge of exactly how and when the Senate plans to proceed in considering this vitally important issue. The American people are anxious for the Senate to consider term limits when we can give it our full attention. We believe that April, 1996 is the appropriate time for a complete and fair Senate debate on term limits. We urge your favorable consideration of this request.

Sincerely,

James M. Inhofe, Spencer Abraham, Rick Santorum, Rod Grams, Jon Kyl, Fred Thompson, Bill Frist, Craig Thomas, and Mike DeWine.

SEPTEMBER 29, 1995.

Hon. BOB DOLE,
Majority Leader, U.S. Senate, Washington, DC.

DEAR SENATOR DOLE: The undersigned organizations have been actively involved in the effort to pass the constitutional amendment to limit the terms of members of Congress. We are all deeply committed to term limits as a cornerstone of a permanent restraint on the role of the federal government. We believe that limiting the terms of members of Congress is an important structural change that the American people support overwhelmingly and we want to do all in our power to help bring term limits to reality as part of our Constitution.

To that end, we are aware that you have promised to bring the term limits constitutional amendment to the floor of the U.S. Senate for a vote in the 104th Congress and for that we are grateful. We believe it is significant that this Congress will allow, for the first time in America's history, a recorded vote on term limits in the House and the Senate. While we appreciate your commitment to bring term limits to the Senate floor this fall, we are asking that you postpone consideration of the term limits amendment to April of next year.

All of us are aware of the difficult and crowded legislative calendar facing the United States Senate during the weeks between now and the scheduled adjournment of the first session of the 104th Congress. Term limits is an issue that deserves a complete and open debate on the floor of the United States Senate. We believe that the American people are entitled to such a full and fair hearing on the issue of term limits—and we believe that this fall is not a time when such a debate can or will occur. Because of the budget, tax, Medicare and other major fiscal issues facing the Senate, not to mention the other issues remaining to be considered as part of the

House Contract with America, we do not believe that term limits will be able to be given its proper consideration by the Senate if the vote is held this fall. We do not think there is adequate time available to the members or the citizens to focus the necessary national attention on term limits if it is wedged among the issues now facing Congress.

It is further our belief that the most important contribution you can make at this point in time toward helping to maximize the Senate's support for term limits is by granting to the supporters of term limits a specified time on the Senate calendar for April, 1996 to schedule a vote on term limits. If April is not acceptable, we would request that you advise us now of another time certain in the spring of next year when term limits will be rescheduled for a Senate vote.

We believe that this is more appropriate timing that will benefit the issue of term limits and the ability of the American people to focus their attention—and that of their Senators—on the importance of this vote.

We urgently request that you adopt this strategy and notify us as soon as possible as to whether we can expect a Senate vote in April of 1996, or exactly when such a vote would be rescheduled. We look forward to the opportunity to work with your leadership team to encourage passage of the constitutional amendment for term limits next year.

Thank you for your consideration.

Organizations Supporting Term Limits: Americans Back in Charge, American Conservative Union, Christian Coalition, Council for Government Reform, Seniors Coalition, and Council for Citizens Against Government Waste.

Mr. LEVIN. Mr. President, I will vote to table the Ashcroft amendment to H.R. 927, the Cuban Liberty and Democratic Solidarity Act.

I have not yet decided how I will vote on an amendment to the Constitution proposing limits on the terms of office for Members of Congress when it comes before the Senate next year.

The Ashcroft amendment is not a constitutional amendment. It is a sense-of-the-Senate resolution lacking the force of law. Its language is totally open-ended without restrictions and standards. Therefore, although I may support specific constitutional amendment language when it is offered, I cannot support and will vote to table the Ashcroft amendment.

The PRESIDING OFFICER. The pending question is on agreeing to the motion to table amendment No. 2916 offered by the Senator from Missouri.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mrs. BOXER (When her name was called). Present.

Mr. LOTT. I announce that the Senator from Oregon [Mr. HATFIELD] is necessarily absent.

Mr. FORD. I announce that the Senator from Nebraska [Mr. EXON], the Senator from Maryland [Ms. MIKULSKI], and the Senator from Florida [Ms. MOSELEY-BRAUN] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 49, nays 45, as follows:

[Rollcall Vote No. 490 Leg.]

YEAS—49

Akaka	Glenn	Lugar
Baucus	Graham	McConnell
Biden	Harkin	Moynihan
Bingaman	Heflin	Murray
Bradley	Hollings	Nunn
Breaux	Inouye	Pell
Bryan	Jeffords	Pryor
Bumpers	Johnston	Reid
Byrd	Kassebaum	Robb
Chafee	Kennedy	Rockefeller
Cochran	Kerrey	Roth
Conrad	Kerry	Sarbanes
Daschle	Lautenberg	Simon
Dodd	Leahy	Snowe
Dorgan	Levin	Specter
Feingold	Lieberman	
Ford	Lott	

NAYS—45

Abraham	Faircloth	Mack
Ashcroft	Feinstein	McCain
Bennett	Frist	Murkowski
Bond	Gorton	Nickles
Brown	Gramm	Pressler
Burns	Grams	Santorum
Campbell	Grassley	Shelby
Coats	Gregg	Simpson
Cohen	Hatch	Smith
Coverdell	Helms	Stevens
Craig	Hutchison	Thomas
D'Amato	Inhofe	Thompson
DeWine	Kempthorne	Thurmond
Dole	Kohl	Warner
Domenici	Kyl	Wellstone

NOT VOTING—4

Exon	Mikulski
Hatfield	Moseley-Braun

ANSWERED ''PRESENT''—1

Boxer

So the motion to lay on the table the amendment (No. 2916) was agreed to.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, there will be no more votes this evening.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

MORNING BUSINESS

Mr. DOLE. Mr. President, I ask that there now be a period for the transaction of morning business not to extend beyond the hour of 7 p.m. with Members entitled to speak therein for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Kansas is recognized.

Mr. DOLE. I thank the Chair.

(The remarks of Mr. DOLE pertaining to the introduction of S. 1329 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

CENSUS BUREAU BURDENS ON SMALL BUSINESS

Mr. COVERDELL. Mr. President, I rise today to bring your attention to a single example of what I believe to be an all too common practice of our Government bullying small businesses with burdensome requirements.

My office recently received a letter from a small business in Georgia describing the mounds of reports required by the U.S. Bureau of the Census. I believe this case serves as an excellent example of the kind of bully Government so many of us in the Senate have worked to control through regulation reform and paper work reduction. The most troubling message to me in this letter is that this small company does not perceive such Government burdens as atypical, just as a normal course of doing business in America.

How far are we going to stretch the limited resources of our small businesses? Let me list for you the reports this company, the Great American Cookie Co., must submit to the Bureau of the Census or face Federal penalties: Report of Organization, Survey of Industrial Research and Development, Survey of Business, Investment Plans Survey, Current Retail Sales and Inventory Report, Annual Trade Report, and Annual Capital Expenditures Survey.

In addition, it also provides much of the same information to each of the more than 40 States and in some cases municipalities in which it operates retail outlets. These State reports include summaries on payroll taxes, income taxes, property taxes, sales taxes, worker's compensation, property and liability insurance, annual reports and franchise returns.

As you and my other colleagues know, we succeeded in getting a provision included in the Paper Work Reduction Act to reduce the burden of firms who are forced to file quarterly reports by the Bureau of the Census used to compile the ''Quarterly Financial Report for Manufacturing, Mining, and Trade Corporations.'' While I am pleased this is now law, I firmly believe we can do more to reduce the formidable burdens imposed by the Bureau of the Census, especially for small businesses.

By allowing this veritable gauntlet of requirements for doing business in America to continue, I wonder at the kind of message we, the Members of the U.S. Senate, are sending to small businesses.

Mr. President, I ask unanimous consent that the content of the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GREAT AMERICAN COOKIE CO., INC.,
Atlanta, GA, September 14, 1995.

Hon. PAUL COVERDELL,
U.S. Senate, Washington, DC.

DEAR SENATOR COVERDELL: I am writing this letter to express concern over reporting requirements of the Census Bureau upon The Great American Cookie Company, Inc. (the Company). The Company is currently responsible for the following reports: Report of Organization, Survey of Industrial Research and Development, Survey of Businesses, Investment Plans Survey, Current Retail Sales and Inventory Report, Annual Trade Report and Annual Capital Expenditures Survey. We understand that, as a governmental agency, the information provided by these reports is a valuable tool for monitoring certain types of business activity. However, as a small business with limited resources, these reporting requirements place an undue burden on us.

The initial difficulty arises from the fact that we currently have over 100 retail outlets located in over 40 states. As a result, we are already providing a multitude of information to each state (and in some instances, each municipality). These reporting requirements include, but are not limited to, payroll, income, property, sales and use taxes, worker's compensation, property and liability insurance, annual reports and franchise returns. Along with these requirements come the inevitable compliance audits. These reporting requirements, that are merely a cost of doing business in each locality, considerably increase our administrative costs.

Furthermore, over the past two years, our form of business organization has changed. Late in 1993, our company became subject to The Security and Exchange Commission's reporting requirements as defined in The Securities Exchange Act of 1934. To satisfy these reporting requirements, we have had to stretch our resources further.

As a company, we view our circumstances not as excuses, but rather as evidence that governmental controls can sometimes create more of a burden to certain businesses instead of a benefit. Certainly, the letter of the law can require us to continue to report the requested information or incur the penalties. However, in keeping with the spirit of the law, we respectfully submit this letter as a plea to be relieved of our Census Bureau reporting requirements.

Thank you for your consideration in this matter.

Best regards,

W. JAMES SQUIRE III, CFE,
Senior Vice President—Franchising.

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, the skyrocketing Federal debt, now about $25 billion short of $5 trillion, has been fueled for a generation by bureaucratic hot air; it is sort of like the weather, everybody has talked about it but almost nobody did much about it. That attitude began to change immediately after the elections in November 1994.

When the new 104th Congress convened this past January, the U.S. House of Representatives quickly approved a balanced budget amendment to the U.S. Constitution. On the Senate side, all but one of the 54 Republican Senators supported the balanced budget amendment.

That was the good news. The bad news was that only 13 Democrat Senators supported it, and that killed the balanced budget amendment for the time being. Since a two-thirds vote—67 Senators, if all Senators are present—is necessary to approve a constitutional amendment, the proposed Senate amendment failed by one vote. There will be another vote during the 104th Congress.

Here is today's bad debt boxscore:

As of the close of business Monday, October 16, the Federal debt—down to the penny—stood at exactly $4,967,827,640,196.29 or $18,857.96 for every man, woman, and child on a per capita basis.

BIOTECHNOLOGY PROCESS PATENTS

Mr. HATCH. Mr. President, this afternoon, the House gave final approval to S. 1111, a bill Senator KENNEDY and I have authored to remove barriers to the patenting of biotechnology processes by establishing a modified examination by the U.S. Patent and Trademark Office [PTO] of those patent applications.

Passage of this legislation is a tremendous testament to the foresight and capabilities of our House colleague, Representative CARLOS MOORHEAD, chairman of the House Judiciary Subcommittee on Courts and Intellectual Property. Chairman MOORHEAD drafted the original legislation this session, H.R. 587, which was approved in committee on June 7, 1995.

The bill now goes to the President for signature.

Mr. President, under the provisions of S. 1111, if a claimed biotechnology process uses or produces a patentable composition of matter, the process will be presumed nonobvious for the purpose of examining the process. This modified examination will resolve delays and inconsistent determinations faced by biotechnology patentees under present PTO practices, and thereby increase innovation and stimulate the development of new products and processes.

For the edification of my colleagues, I want to take this historic opportunity to explain the purpose of the bill and the need for the legislation.

Biotechnology: The Office of Technology Assessment defines biotechnology as ''any technique that uses living organisms—or substances from those organisms—to make or modify products, to improve plants or animals, or to develop microorganisms for specific uses.''

Biotechnology, in the sense of genetic manipulation, has been practiced by man for many hundreds of years. It has been used successfully by plant breeders in developing schemes for crossing plants to introduce and maintain desirable traits in various crops such as wheat or maize. Bakers and beverage producers have used yeast, a fungus, for leavening dough and for fermentation.

Today, the practice of biotechnology is far more powerful, with promising applications in diverse industries ranging from pharmaceuticals, agriculture and nutrition to environmental cleanup, new energy resources and law enforcement.

Some examples of widely known products made with the use of biotechnology include insulin, human growth hormone, home pregnancy tests, tests for diagnosing human immunodeficiency virus (HIV), vaccine against the Hepatitis B virus, and high-protein yielding corn.

The dramatic breakthroughs and future promises of biotechnology became possible in the 1950's when scientists James Watson and Francis Crick discovered the structure of DNA, or deoxyribonucleic acid. Ironically, neither scientist seemed aware that their discovery would give birth to an entire new generation of technology. In a March 12, 1953, letter to Max Delbruck, Watson wrote:

> In the next day or so Crick and I shall send a note to Nature proposing our structure (of DNA) as a possible model, at the same time emphasizing its provisional nature and the lack of proof in its favor. Even if wrong, I believe it to be interesting since it provides a concrete example of a structure composed of complementary chains. If, by chance, it is right, then I suspect we may be making a slight dent into the manner in which DNA can reproduce itself.

The discovery of DNA put more than a slight dent in our knowledge of basic biology: it became the basis of a new, promising industry that has led to significant breakthroughs in the ability to improve human life.

DNA, known as the ultimate molecule of life, contains the codes that instruct cells to grow, to differentiate into specialized structures, to duplicate, and to respond to environmental changes.

DNA guides the special functions of cells by directing the synthesis of proteins. A gene, which is comprised of a specific section of DNA, contains the special instructions the cell needs to synthesize proteins. Proteins give living organisms their unique characteristics. Some proteins give the organism its structure; others mediate the many biochemical reactions that occur within the body and are necessary for organisms to function.

The DNA code for certain genes is sometimes defective. The defect may have been present at birth or later developed due to other factors such as infection, age, or exposure to ultraviolet light. When a defect occurs, the code for the synthesis of proteins is scrambled and causes the cell to produce either a defective protein or no protein at all. If the function of this defective protein is important, this can have serious consequences for the health of the organism. For human beings, the deficiency in the protein may lead to tragic disabilities like cancer and arthritis, or even lead to death. For corn and other agricultural crops, the incorrect protein may lead to limited resistance to insects or extinguishment of the crop all together.

Once scientists determine which specific protein performs which function in an organism, they, with the aid of biotechnology, are able to effectively fight disease and other abnormalities. For example, when the absence of a certain regulatory protein leads to cancer, it is possible to stop the growth of cancerous cells by replacing the defective gene with a normal one that would produce the necessary protein in the body.

It is also possible to reproduce the normal protein in another organism and then supply it in the human body. The technology enabling this method is known as recombinant DNA technology. A well-known example of such a method is the process used to produce insulin. Insulin is produced in mass quantities in microorganisms and then

injected into human beings to treat diabetes.

Proteins produced through recombinant DNA technology are used not only to treat numerous diseases, such as cancer, allergies, blood disorders, and infections, but also for more prosaic tasks, such as use in laundry detergents and food production. All of the tools that currently allow scientists to perform such marvels are the product of innovative research utilizing biotechnology.

Given the complexities of developing such treatments, the underlying research is often expensive and takes many years before it yields practical results. The biotechnology industry estimates that the average cost of discovery and bringing a single drug to market exceeds $230 million. It is also estimates that bringing a drug from initial discovery to final FDA approval takes an average of 12 years.

Certain incentives are necessary to encourage biotechnology researchers to invest in the much needed, but often expensive, research endeavors. To date, the patent laws have been the source of such incentives. The biotechnology industry relies heavily on patent protection in recouping the costs of bringing new drugs to the market. Furthermore, adequate patent protection is vital in persuading investors to provide the necessary capital to the industry.

The biotechnology industry has been one of the success stories in U.S. industry, creating new jobs and pioneering exciting breakthroughs that improve our way of life. However, the biotechnology industry now faces formidable challenges in continuing its ground-breaking research. Japan and Europe have invested heavily in biotech research and Japan has targeted pharmaceutical development as an industry of vital economic importance. In facing this competition, it is vital that the United States provide adequate and effective intellectual property protection for the biotechnology industry.

General patent protection: A patent on an invention gives the patent holder the right to exclude others from making, using, or seling that invention. Under 35 U.S.C., section 101, an inventor may obtain a patent on ''any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof . . .'' Once an invention is determined to be of the kind that may be patentable under section 101, it must also satisfy other requirements before a patent is granted on that particular invention. The two other major requirements are that the invention be ''novel'' and be ''nonobvious.''

If a U.S. patent is granted on a particular product, the owner of the patent can prevent others from manufacturing, selling, or importing the product in the United States. However, because patents are national rights, the owner of the U.S. patent cannot prevent others from manufacturing or selling the patented product in another country. In order to prevent others from exploiting his patented product in another country, the inventor must obtain a patent in that country.

A patent may be granted for a new method of using or a new method of making a product. Such patents are referred to as ''process patents.'' It is not uncommon for an inventor to seek both product and process patent protection relating to the same invention. A process patent must meet the same basic requirements for patentability as a product patent, that is, that the claimed invention be new, useful, and nonobvious. The owner of a process patent may prevent the sale or manufacture of a product made using that process.

The courts have described the difference between a process patent and a product patent as one relating to scope:

> A product patent gives the patentee the right to restrict the use and sale of the product regardless of how and by whom it was manufactured. A process patentee's power extends only to those products made by the patented process. A process patent thus ''leaves the field open to ingenious men to invent and to employ other processes. . . .'' A sale of a product made by a patented process does not itself infringe the patent; it is the unauthorized use of the process that infringes the patent.

The Process Patent Amendments Act of 1988 provided additional protection for process patent owners. Under this act, the process patent owner may not only prevent unauthorized domestic use of the process, but also the importation of foreign-manufactured products if a U.S. patented process was used in making the products. This amendment provides protection to domestic U.S. process patent holders against foreign companies using the U.S. patented process overseas and importing the resulting product into the United States without any recourse by the process patent owner for infringement. Therefore, a patent on the final product, or at least a patent on the process for making that product, is necessary in order to effectively protect innovators from the unfair competition of imported ''knock-offs'' of their creations.

Although a product patent is generally considered to provide better protection for innovators than process patents, they are often not available for products of biotechnology. Biotechnology products are difficult to patent because they are usually the recombinant version of a naturally occurring protein. In many cases, the naturally occurring version of the protein has been identified and described in the literature to some extent. Even if this protein has not been completely characterized, the patent application on the recombinant version of the protein may be denied because, in the eyes of the PTO, it is not novel, or it is obvious in light of the previous disclosure. In patent law parlance, that product has already been discovered and does not warrant a patent under the U.S. patent code.

A good example of this problem is human insulin. Human insulin was discovered in 1921 when scientists first extracted the protein from a dog's pancreas. In 1951, Frederick Sanger identified the chemical structure of human insulin and won the Nobel Prize for this discovery. He would not have been able to obtain a patent on insulin despite the fact that his discovery earned him the Nobel Prize. Then in 1979, David Goeddel synthesized human insulin using biotechnology methods, enabling patients to gain access to the product they needed to control their diabetes. Even Goeddel would not have been able to receive a product patent on insulin.

The difficulties in obtaining patents on products of biotechnology, therefore, make the availability of effective process patent protection vital in providing a reward for the achievements of biotechnology pioneers. Moreover, adequate protection is necessary to encourage the continued investment in biotechnology research and development.

Biotechnology process patenting: The ability of the biotechnology industry to obtain process patent protection has been undermined by the lack of clarity in the rules for the patentability of such process patents. Not only does the lack of adequate and effective process patent protection affect the industry's ability to fend off unfair competition of foreign-made products using U.S. patented starting products, but it also inhibits venture capital investment in biotechnology research.

The uncertainty in the rules of process patent protection has been the result of the Patent and Trademark Office's [PTO] inconsistent and erroneous application of In re Durden, and other related and conflicting decisions issued by the U.S. Court of Appeals for the Federal Circuit [CAFC].

Although In re Durden did not involve a biotechnology invention, the principles espoused by the court in that case have had a significant effect on the patentability of biotechnology processes. In re Durden involved an appeal of the PTO's denial of a patent for a process to make certain new chemical compounds. The process used was similar to one already familiar to those in the industry, however, it used a novel and nonobvious starting material and produced a novel and nonobvious chemical product. As stated by the court, the issue in the case was ''whether a chemical process, otherwise obvious, is patentable because either or both the specific starting material employed and the product obtained are novel and nonobvious.'' The court concluded that the process was not patentable. Given the particular facts of In re Durden, it held that a process using a new starting material to make a new product will not automatically be presumed nonobviousness for patentability purposes. It noted

that the patentability of each process claim must be evaluated on a case-by-case basis.

Since the In re Durden decision, it has become increasingly difficult to obtain process patent protection in the United States for genetic engineering inventions. It is reported that the PTO frequently cites this case in automatically rejecting applications for biotechnology processes.

The reasoning used in rejecting biotechnology process patent applications is as follows: The basic process of genetic engineering, recombinant DNA technology, is known. It consists of inserting a DNA molecule into a living cell so that the cellular machinery produces the specific protein encoded by the inserted DNA molecule. Therefore, when a new DNA molecule has been invented, it is assumed ''obvious'' that it can be used in a recombinant DNA process to produce the protein it encodes. Since nonobviousness is a condition for patentability, the process for producing the protein is rejected by the PTO as obvious. Under In re Durden, the process is rejected even if the starting materials used in the process in producing the final product are new and patentable.

The Court of Appeals for the Federal Circuit revisited the issue in the subsequent case of In re Pleuddemann. As with In re Durden, this case involved a challenge of the PTO's denial of a patent to a process. The challenger had a patent on a starting material that he used in the process at issue to make a patentable final product. Except for the use of the patented starting material, the process for making the final product was already known in the industry. The court held that the process in this particular case was patentable. In its opinion, the court emphasized that In re Durden was not to be read as a ''per se'' rule against patenting old processes that use new starting materials or produce new products.

The court distinguished In re Durden in this case on the ground that the process at issue in In re Pleuddemann involved a process of ''using'' rather than a process of ''making,'' which was the claimed process at issue in In re Durden. This distinction between the two types of processes was lost on many and has caused further confusion on the status of the law on patenting processes. It is not clear why a method of ''using'' a starting material should be treated differently, for purposes of determining nonobviousness, from a method of ''making'' the end product.

Relying on In re Pleuddemann, some applicants have manipulated phrasing in crafting patent applications to explain processes in terms of ''using'' rather than ''making.'' However, the PTO continues to reject such claims citing In re Durden and arguing that such claims are really a process of making claim in disguise

Although biotechnology innovators have difficulties obtaining patents on products and processes of biotechnology, they can receive patents on new starting materials they discover. However, unlike patents on products or the process by which those products are developed, U.S. patents on the starting materials fail to provide adequate protection from unfair foreign competition.

The U.S. patent on the starting materials—typically a new DNA molecule, a genetically altered host cell or a vector—can prevent others from using them in the United States in any way, including using them to produce a final product. However, without process patent protection, the patent owner of the starting materials cannot prevent another from taking the patented materials to another country, use it to produce a product based on such material, and import the product back into this country for commercial sale.

Under the patent laws, there is no infringement of the patent on the starting materials because there is no ''use'' of the materials in the United States. Without process patent protection, the inventor can not challenge the unfair importation of the product and is forced to watch helplessly as foreign copy-cats reap the harvest to which he, as a pioneer, is entitled.

The uncertainty in the examination of biotechnology process patents under current U.S. law has become a serious impediment to the development of new technologies in this industry. The confusion in the case has led to inconsistent results by patent examiners. The inconsistent application of the case law, in turn, has led to severe delays or denials of issuance of process patent protection to deserving patent applicants. The resolution of this problem will provide both certainty for patent applications in this field and adequate protection against unfair foreign competition.

It is not clear if or when the CAFC will resolve the confusion in the case law relating to process patents. Currently, there are two cases pending in the CAFC relating to this issue. These two cases have been pending before the CAFC for over 3 years, and there is no indication when the court might issue a decision on them. Even if the court issues a decision on these cases, it is by no means certain that they will resolve the confusion caused by In re Durden and related cases. The PTO, in congressional hearings, testified that it does not believe it can resolve the problem administratively because of the seemingly conflicting court opinions.

S. 1111 resolves the In re Durden problem in our patent law by providing that a biotechnological process of making or using a product may be considered nonobvious if the starting material or resulting product is patentable. This change will provide a degree of certainty to the protection of biotechnology inventions and will simplify the PTO's examination of biotechnology process patent applications. This bill will also allow U.S. researchers to enforce their patents claiming a certain starting material against the unfair importation of products made overseas using such material.

As my colleagues are aware, the Senate has gone on record in support of this change in the law many times, most recently in 1994 when we approved the Deconcini-Hatch legislation. I am proud that the Congress has now given final approval to the bill, and I am hopeful the President will sign the measure as soon as it reaches his desk.

Mr. President, I ask unanimous consent that the text of S. 1111 and a section-by-section summary be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD as follows:

S. 1111

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. BIOTECHNOLOGICAL PROCESS PATENTS; CONDITIONS FOR PATENTABILITY; NONOBVIOUS SUBJECT MATTER.

Section 103 of title 35, United States Code, is amended—

(1) by designating the first paragraph as subsection (a);

(2) by designating the second paragraph as subsection (c); and

(3) by inserting after the first paragraph the following:

''(b)(1) Notwithstanding subsection (a), and upon timely election by the applicant for patent to proceed under this subsection, a biotechnological process using or resulting in a composition of matter that is novel under section 102 and nonobvious under subsection (a) of this section shall be considered nonobvious if—

''(A) claims to the process and the composition of matter are contained in either the same application for patent or in separate applications having the same effective filing date; and

''(B) the composition of matter, and the process at the time it was invented, were owned by the same person or subject to an obligation of assignment to the same person.

''(2) A patent issued on a process under paragraph (1)—

''(A) shall also contain the claims to the composition of matter used in or made by that process, or

''(B) shall, if such composition of matter is claimed in another patent, be set to expire on the same date as such other patent, notwithstanding section 154.

''(3) For purposes of paragraph (1), the term 'biotechnological process' means—

''(A) a process of genetically altering or otherwise inducing a single- or multi-celled organism to—

''(I) express an exogenous nucleotide sequence,

''(ii) inhibit, eliminate, augment, or alter expression of an endogenous nucleotide sequence, or

''(iii) express a specific physiological characteristic not naturally associated with said organism;

''(B) cell fusion procedures yielding a cell line that expresses a specific protein, such as a monoclonal antibody; and

''(C) a method of using a product produced by a process defined by (A) or (B), or a combination of (A) and (B).''.

SEC. 2. PRESUMPTION OF VALIDITY; DEFENSES.

Section 282 of title 35, United States Code, is amended by inserting after the second sentence of the first paragraph the following:

''Notwithstanding the preceding sentence, if a claim to a composition of matter is held invalid and that claim was the basis of a determination of nonobviousness under section 103(b)(1), the process shall no longer be considered nonobvious solely on the basis of section 103(b)(1).''.

SEC. 3. EFFECTIVE DATE.

The amendments made by section 1 shall apply to any application for patent filed on or after the date of enactment of this Act and to any application for patent pending on such date of enactment, including (in either case) an application for the reissuance of a patent.

SECTION-BY SECTION ANALYSIS AND DISCUSSION

SECTION 1. BIOTECHNOLOGICAL PROCESS PATENTS; CONDITIONS FOR PATENTABILITY; NONOBVIOUS SUBJECT MATTER

Section 1 provides a mechanism for applicants to facilitate the procurement of a patent for a biotechnological process that makes or uses a novel and non-obvious biotechnology product, overruling the decision in In re Durden, 763 F.2d 1406 (Fed. Cir. 1985). This section would amend section 103 of title 35, United States Code, to ensure that a biotechnological process would not be considered obvious, and thus unpatentable, if it either makes or uses a composition of matter that itself is novel and non-obvious.

The legislation has an impact on only one element of patentability of biotechnological processes—the element of non-obviousness. There is no guarantee of patentability even if the process claim satisfies the non-obvious provisions of the revised section 103. The process must still satisfy all other requirements of patentability, including novelty and utility among other requirements.

To qualify as non-obvious under this section, the claims to the process and the composition of matter, to which the process is linked, must be contained in either the same application for patent or in separate applications having the same effective filing date. Additionally, the composition of matter and the process at the time it was invented, must be owned by the same person or be subject to an obligation of assignment to the same person.

Section 1 also allows an applicant to demonstrate the independent patentability of a process under current law or proceed under the non-obviousness rule established by this section. Independent patentability may be demonstrated, for example, by showing the non-obviousness of the process through proof that the process demonstrates unpredictable results.

Finally, this section provides five possible definitions of the term ''biotechnological process.'' These definitions limit the applicability of this section to biotechnological process patents. The new definitions are broad enough to include most genetic engineering technologies that are currently being used by biotechnology researchers.

The first proffered definition explains a ''biotechnological process'' as a process of inducing an organism to express a characteristic not naturally associated with it through the methods of genetic engineering or other methods. Such a process may cause an organism to ''express an exogenous nucleotide sequence.'' An example of such a method is the process by which human insulin is produced in commercial quantities. The DNA sequence for human insulin is inserted into the bacteria E. coli so the bacteria begins expressing, or producing, human insulin in its cellular machinery.

This second definition of a ''biotechnological process'' specifies that such a process could be altering an organism to ''inhibit, eliminate, augment, or alter expression of an endogenous nucleotide sequence.'' A popular example of a product produced by such a process is the Flavr-Savr Tomato. This process involves the alteration of tomatoes to eliminate the inter-cellular production of an enzyme that causes the tomato to rot. By eliminating the expression of this ''rotting'' enzyme, the tomato is allowed to have a longer shelf-life.

The third qualifying definition interprets ''biotechnological process'' as altering an organism to ''express a specific physiological characteristic not naturally associated with said organism.'' The Hepatitis B virus vaccine is produced utilizing such a process. The ''antigen,'' or surface protein to which the human immune system responds, for Hepatitis B is inserted into yeast to yield commercial quantities of the protein. The expression of the protein does not occur naturally in yeast but does so because its genetic coding has been altered. The protein is then removed from the yeast and injected into humans to induce the body to safely and naturally produce an immune reaction to fight the deadly virus, which causes liver damage and cancer. The use of such a process to combat many human and animal diseases, including AIDS.

The fourth qualifying definition comprises ''cell fusion procedures.'' An example of such a process is the method used for producing monoclonal antibodies, referred to by scientists as ''hybridoma technology.'' This technology involves fusing spleen cells that produce certain desired antibodies to a specialized ''immortal'' cell—usually a cancer cell—that no longer produces an antibody of its own. The resulting fused cells, or ''hybridomas,'' grow continuously and rapidly like a cancer cell, yet they produce the desired antibodies. Monoclonal antibodies are widely used in targeting special cells to diagnose infections and cancer. The possibility of their use in the direct treatment of cancer and immune disorders is currently a major focus of biomedical researchers.

Finally, the fifth definition of a qualifying ''biotechnological process'' is described as any method of using a final product that has been produced by a process defined by any of the other four definitions provided or a combination of the processes thereof.

SECTION 2. PRESUMPTION OF VALIDITY

This section provides that if a patent claim to a composition of matter—either the starting material or the final product—is held invalid because the Patent and Trademark Office determines that it is non-obvious, the patent process application that is dependent on that composition of matter will no longer be entitled to rely on that composition of matter for a presumption of non-obviousness. In such a case, the inventor must show that such a process is non-obvious without relying on this legislation.

SECTION 3. EFFECTIVE DATE

The amendments made by this act are effective on the date of enactment. The amendments will apply to all patents filed on or after the date of enactment and all patent applications, including applications for the reissuance of a patent, pending on the date of enactment.

MESSAGES FROM THE HOUSE

At 2:24 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate.

H.R. 2405. An act to authorize appropriations for fiscal years 1996 and 1997 for civilian science activities of the Federal Government, and for other purposes.

At 6:09 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bills, without amendment.

S. 227. An act to amend title 17, United States Code, to provide an exclusive right to perform sound recordings publicly by means of digital transmissions and for other purposes.

S. 268. An act to authorize the collection of fees for expenses for triploid grass carp certification inspections, and for other purposes.

S. 1111. An act to amend title 35, United States Code, with respect to patents on biotechnological processes.

The message also announced that the Speaker appoints Mr. OBERSTAR as a conferee in the committee of conference on the disagreeing votes of the two Houses on the amendment numbered 4 of the House to the bill (S. 395) to authorize and direct the Secretary of Energy to sell the Alaska Power Administration, and to authorize the export of Alaska North Slope crude oil, and for other purposes; to fill the vacancy resulting from the resignation from the House of Representatives of Mr. Mineta.

The message further announced that the House disagrees to the amendment of the Senate to the bill (H.R. 1655) to authorize appropriations for fiscal year 1996 for intelligence and intelligence-related activities of the U.S. Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, and agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints the following Members as the managers of the conference on the part of the House:

From the Permanent Select Committee on Intelligence, for consideration of the House bill, and the Senate amendment, and modifications committed to conference: Mr. COMBEST, Mr. DORNAN, Mr. YOUNG of Florida, Mr. HANSEN, Mr. LEWIS of California, Mr. GOSS, Mr. SHUSTER, Mr. MCCOLLUM, Mr. CASTLE, Mr. DICKS, Mr. RICHARDSON, Mr. DIXON, Mr. TORRICELLI, Mr. COLEMAN, Mr. SKAGGS, and Ms. PELOSI.

From the Committee on National Security for the consideration of defense tactical intelligence and related activities: Mr. SPENCE, Mr. STUMP, and Mr. DELLUMS.

As additional conferees from the Committee on International Relations, for consideration of section 303 of the House bill, and section 303 of the Senate amendment, and modifications committed to conference: Mr. GILMAN, Mr. SMITH of New Jersey, and Mr. BERMAN.

MEASURES REFERRED

The following bill was read the first and second times by unanimous consent and referred as indicated:

H.R. 2405. An act to authorize appropriations for fiscal years 1996 and 1997 for civilian science activities of the Federal Government, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–1506. A communication from the Chairman of the International Trade Commission, transmitting, pursuant to law, the report entitled, ''Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Consumers''; to the Committee on Finance.

EC–1507. A communication from the Assistant Secretary of State for Legislative Affairs, transmitting, pursuant to law, notice of a Presidential determination relative to Serbia and Montenegro; to the Committee on Foreign Relations.

EC–1508. A communication from the Assistant Secretary of State for Legislative Affairs, transmitting, pursuant to law, notice of a Presidential determination relative to Mongolia; to the Committee on Foreign Relations.

EC–1509. A communication from the Assistant Secretary of State for Legislative Affairs, transmitting, pursuant to law, notice of a Presidential determination relative to Rwanda and Burundi under the Migration and Refugee Assistance Act of 1962; to the Committee on Foreign Relations.

EC–1510. A communication from the Assistant Secretary of State for Legislative Affairs, transmitting, pursuant to law, notice of certification for fiscal year 1996 relative to the United Nations; to the Committee on Foreign Relations.

EC–1511. A communication from the Assistant Legal Affairs Adviser for Treaty Affairs, the Department of State, transmitting, pursuant to law, the text of the international agreements, other than treaties, and background statements; to the Committee on Foreign Relations.

EC–1512. A communication from the Secretary of Agriculture, transmitting, pursuant to law, the management report for the period October 1, 1994 to March 31, 1995; to the Committee on Governmental Affairs.

EC–1513. A communication from the Chief Financial Officer, the Assistant Secretary for Administration, the Department of Commerce, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1994, to the Committee on the Judiciary.

EC–1514. A communication from the Chief of the Retirement Branch Directorate of Force Management and Personnel, the Department of Air Force, transmitting, the annual report for the Air Force Nonappropriated Fund Retirement Plan; to the Committee on Governmental Affairs.

EC–1515. A communication from the Comptroller General, transmitting, pursuant to law, reports and testimony for the month of August 1995; to the Committee on Governmental Affairs.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–344. A resolution adopted by the Governing Board of the Northeast Ohio Areawide Coordinating Agency relative to the Environmental Protection Agency; to the Committee on Appropriations.

POM–345. A joint resolution adopted by the Legislature of the State of California; to the Committee on Appropriations:

''JOINT RESOLUTION NO. 29

''Whereas, the Congress of the United States is expected to consider funding for additional Air Force B–2 Stealth Bombers beyond the 20 currently authorized; and

''Whereas, international challenges persist, and the availability of stealth bomber technology will enable the Air Force to respond quickly and decisively; and

''Whereas, the United States' ability to respond effectively would be greatly undermined if the Air Force's current fleet of bombers is allowed to become obsolescent; and

''Whereas, according to the 1995 defense appropriations bill, 'Independent studies have concluded that the 20 B–2 aircraft currently on order are simply not enough to provide a militarily-significant and cost-effective long-rang conventional bomber force . . .'; and

''Whereas, the B–2 is the only aircraft currently in production that incorporates advanced stealth technology, developed in California, that unlike the current fleet of bombers, gives the United States superiority over any adversary in the world; and

''Whereas, the B–2 program employees 9,000 people in California at Northrop Grumman Corporation, the prime contractor, and more than 2,000 suppliers throughout the state, and helps support thousands of additional jobs at local businesses: Now, therefore, be it

''*Resolved by the Assembly and Senate of the State of California, jointly,* That the B–2 Stealth Bomber is acknowledged as a key element of the military strategy for the defense of the United States; and be it further

''*Resolved,* That the Legislature of the State of California respectfully urges the President and the Congress of the United States to provide the necessary funding in the 1996 fiscal year for additional production of the Air Force B–2 Stealth Bomber, an important national resource; and be it further

''*Resolved,* That the Chief Clerk of the Assembly transmit copies of this resolution to the President and the Vice President of the United States, to the Speaker of the United States House of Representatives, and to each Senator and Representative from California in the Congress of the United States.''

POM–346. A joint resolution adopted by the Legislature of the State of California; to the Committee on Armed Services.

''JOINT RESOLUTION NO. 40

''Whereas, the most recent base closure and realignment recommendations forwarded to the President by the federally-appointed Defense Base Realignment and Closure Commission now include an additional 20 California defense facilities; and

''Whereas, Presidents Franklin D. Roosevelt, John F. Kennedy, and Ronald Reagan led the charge in rebuilding American's defenses in the 20th Century and in practicing a policy of 'peace through strength'; and

''Whereas, the fruits of this policy were realized with the collapse of the Soviet empire, America's victory in the Cold War, and the military's stunning victory in the Persian Gulf War; and

''Whereas, Americans have a profound respect for the men and women of the United States military who faithfully serve the country; and

''Whereas, we believe that, if the men and women of the military are sent into harm's way, they must be equipped with whatever is necessary to ensure their safety and to get the job done; and

''Whereas, the world remains a dangerous place, with military involvements recently in Iraq, Haiti, and now Bosnia, and the maintenance of our defense should be a top priority; and

''Whereas, downsizing and streamlining military operations are important goals—but only as long as the security of the United States is not compromised; and

''Whereas, the bases in California, especially McClellan Air Force Base and the Long Beach Naval Shipyard, are vital national assets on the Pacific Rim; and

''Whereas, it was recently learned that technology from McClellan Air Force Base was used in the rescue of downed Air Force pilot Scott O'Grady in Bosnia; and

''Whereas, the radio beacon and transmitter, as well as the E3A AWACS aircraft equipment and radio communication system used by O'Grady and his rescuers, were repaired and serviced at McClellan Air Force Base; and

''Whereas, California has been forced to endure up to 50 percent of all national economic impact from base closures; and

''Whereas, the closure of these California facilities would represent direct and indirect job losses of up to 46,000 jobs, and since the California economy is highly reliant upon the high technology associated with national defense expenditures, these closures will only exacerbate that devastation; and

''Whereas, the California economy, already suffering from the strain of previous base closures, would be further injured by these additional closures, which would represent the loss of an estimated additional $10,200,000,000 in annual income: Now, therefore, be it

''*Resolved by the Assembly and Senate of the State of California, jointly,* That the Legislature of the State of California memorializes the President of the United States and the United States Congress to reject the entire base-closure list to be submitted on or before July 1, 1995, by the Defense Base Closure and Realignment Commission; and be it further

''*Resolved,* That the President, in consultation with the Congress, is urged to develop a more balanced policy with regard to the security needs of the United States; and be it further

''*Resolved,* That a more balanced national security policy should take into consideration the strong military strategic concerns of the United States Defense Department and the Joint Chiefs of Staff; and be it further

''*Resolved,* That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the United States House of Representatives, and to each Senator and Representative from California in the Congress of the United States.''

POM–347. A resolution adopted by the Chamber of Commerce of the City of San Angelo, Texas relative to trust fund accounts; referred jointly, pursuant to the order of August 4, 1977, to the Committee on the Budget, and to the Committee on Governmental Affairs.

POM–348. A resolution adopted by the Board of Commissioners of Caswell County, North Carolina relative to tobacco; to the Committee on Labor and Human Resources.

POM–349. A resolution adopted by the Military Chaplains Association of the United States of America relative to the Impact Aid Program; to the Committee on Labor and Human Resources.

POM–350. A joint resolution adopted by the Legislature of the State of California; to the Committee on Labor and Human Resources:

''JOINT RESOLUTION NO. 25

''Whereas, the Congress of the United States, acknowledging the fiscal burden

placed on local educational agencies by the loss of revenue from traditional funding sources such as property, sales and income taxes resulting from a federal presence, in 1950 enacted Public Law 81–815/874 authorizing the Impact Aid program that was reauthorized in 1994 as Section 8003 of Title VIII of Public Law 103–382 (20 U.S.C. Sec. 236 and following); and

''Whereas, Federal impact aid is funding provided to a local school district in lieu of taxes not paid by the federal government and certain federal employees and to compensate for revenues the local community would collect if the land did not belong to the federal government; and

''Whereas, unlike other federally funded education programs, Federal impact aid is not a program designed to respond to a social need or provide supplemental state and local funding but is a program designed to help cover basic education costs; and

''Whereas, Federal impact aid is a program that imposes no federal requirements directing states or schools to develop performance standards or learning objectives; and

''Whereas, Federal impact aid is funding that goes directly to the local agency for the general support of the education program for all students as determined by the local educational agency without burdensome bureaucratic costs; and

''Whereas, there are 229 California school districts serving approximately 2,200,000 students located throughout the state from Del Norte County in the north, to San Diego County in the south, that educate 180,000 federally connected children who depend on the federal fair share financial contribution to the local educational system; and

''Whereas, withdrawal of federal impact aid funding would adversely impact the educational program of every school district that depends on federal impact aid to provide the federal government's share of support for the education of the federally connected child and force districts to curtail services to all children; and

''Whereas, the withdrawal of federal impact aid funding would result in state and local taxpayers subsidizing the education of the federally connected child; and

''Whereas, California and its citizens are struggling to overcome a severe economic crisis; and

''Whereas, the federal government's financial support for California's federally connected child and federal presence has declined below the 1981 level of funding although the numbers of children in the educational system has been increasing: Now, therefore, be it

''*Resolved by the Assembly and Senate of the State of California, jointly,* That the Legislature of the State of California proclaims its support for the maintenance and full funding of federal impact aid to local school districts; and be it further

''*Resolved,* That the Legislature respectfully memorializes the President and Congress of the United States to uphold the responsibility of the federal government to provide funding to local school districts impacted by a federal presence; and be it further

''*Resolved,* That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States.''

POM–351. A concurrent resolution adopted by the Legislature of the State of Texas; to the Committee on Labor and Human Resources:

''SENATE CONCURRENT RESOLUTION NO. 15

''Whereas, eighty-two national toll-free telephone hotlines provide assistance to victims of crime and disease but there is no such hotline for victims of domestic violence, who may not know whom to call or how to find a shelter; and

''Whereas, a national hotline for battered women was in operation from September, 1988, until June, 1992, receiving approximately 10,000 calls a month in its last months of operation; and

''Whereas, after the hotline closed for lack of funding, national women's organizations and statewide family violence coalitions reached a consensus that the Texas Council on Family Violence should lead a project to reestablish the hotline; and

''Whereas, the Texas Council on Family Violence has developed a plan to reestablish the national hotline after first establishing a pilot project in Texas; and the Texas Council on Family Violence has received more than $200,000 for the implementation of the Texas Pilot Hotline and has hired a hotline specialist who has worked on a detailed plan for the project; and

''Whereas, the Texas Council on Family Violence has developed a budget summary regarding the costs of the National Domestic Violence Hotline as well as the Texas pilot project; and

''Whereas, since 1978, the Texas Council on Family Violence has worked closely with the Texas Legislative, Texas state agencies, and Texas elected officials and has consistently demonstrated their organizational capacity and the requisite expertise to run a domestic violence hotline and has secured a portion of the funding to implement and maintain a statewide hotline for domestic violence victims and is poised to receive grant funding from the federal government to set up the nationwide 1–800 hotline for victims of domestic violence; and

''Whereas, section 316 of the Family Violence Prevention and Services Act (42 U.S.C. 10401 et seq.), as added by Section 40211, Violent Crime Control and Law Enforcement Act of 1994 (Pub. L. No. 103–322), signed into law by President Clinton on September 13, 1994, provides funds for a National Domestic Violence Hotline Grant to fund a 1–800 hotline for victims of domestic violence; and the Texas Council on Family Violence has worked for two years to obtain private and public money to establish such a hotline: Now, therefore, be it

''*Resolved,* That the 74th Legislative of the State of Texas hereby petition the Secretary of Health and Human Services to award to the Texas Council on Family Violence the National Domestic Violence Hotline Grant to set up a national hotline for victims of domestic violence; and, be it further

''*Resolved,* That the Texas Secretary of State forward official copies of this resolution to the President of the United States, the president of the senate and speaker of the house of representatives of the United States Congress, all members of the Texas delegation to the congress, and to the Secretary of Health and Human Services with the request that this resolution be entered in the Congressional Record as a petition to the Secretary of Health and Human Services.''

POM–352. A resolution adopted by the Military Chaplains Association of the United States of America relative to the Department of Veterans' Affairs Chaplain Service; to the Committee on Veterans' Affairs.

POM–353. A resolution adopted by the Council of City of Honolulu, Hawaii relative to the proposed ''Filipino Veterans Equity Act of 1995''; to the Committee on Veterans' Affairs.

POM–354. A joint resolution adopted by the Legislature of the State of Alabama; to the Committee on Veterans' Affairs.

''HOUSE JOINT RESOLUTION NO. 271

''Whereas, Alabama's atomic veterans showed steadfast dedication and undisputed loyalty to their country and made intolerable sacrifices in service to America; and

''Whereas, these atomic veterans gave their all during the terribly hot atomic age to keep our country strong and free; and

''Whereas, these atomic veterans were unknowingly placed in the line of fire, after being assured that they faced no harm, and were subjected to an ungodly bombardment of ionizing radiation; and

''Whereas, the radiation to which they were exposed is now and will continue to eat away at their bodies every second of every day for the rest of their lives with no hope of cessation or cure; and

''Whereas, because their wounds were not of the conventional type, and were not caused by the enemy but by the United States Government, the atomic veterans did not receive service-connected medical disability benefits and did not receive a medal such as the Purple Heart; and

''Whereas, many atomic veterans have already died and others will die a horrible and painful death: Now therefore be it

''*Resolved by the Legislature of Alabama, both Houses thereof concurring,* That atomic veterans be recognized by the federal government, and that the United States Senators and Representatives from Alabama support legislation granting service-connected medical and disability benefits to all atomic veterans who were exposed to ionizing radiation and legislation issuing a medal to atomic veterans to express the gratitude of the people and government of the United States for the dedication and sacrifices of these veterans, be it further

''*Resolved,* That copies of this resolution be sent by the Clerk of the House of Representatives to the President of the United States, the Vice President of the United States, the Speaker of the U.S. House of Representatives, the Secretary of Defense, the Secretary of Veterans Affairs, the Chairpersons of the Senate and the House of Representatives' Veterans Affairs Committees, and each member of Alabama's Congressional Delegation.''

POM–355. A joint resolution adopted by the Legislature of the State of California; to the Committee on Veterans' Affairs.

''SENATE JOINT RESOLUTION NO. 14

''Whereas, the Philippine Islands became a United States possession in 1898 when they were ceded from Spain following the Spanish-American War and remained a possession of the United States until 1946; and

''Whereas, in 1934, Congress passed Public Law 73–127, the Philippine Independence Act, that set a 10-year timetable for the eventual independence of the Philippines and in the interim established a Commonwealth of the Philippines with certain powers over its internal affairs; and

''Whereas, the granting of full independence ultimately was delayed for two years until 1946 because of the Japanese occupation of the islands from 1942 to 1945; and

''Whereas, during the interval between 1934 and the final independence in 1946, the United States retained certain sovereign powers over the Philippines, including the right, upon order of the President of the United States, to call into the service of the United States Armed Forces all military forces organized by the Commonwealth government; and

''Whereas, President Roosevelt invoked this authority by executive order of July 26, 1941, bringing the Philippine Commonwealth Army into the service of the United States Armed Forces of the Far East under the

command of Lt. General Douglas MacArthur; and

''Whereas, there are four groups of Filipino nationals who are entitled to all or some of the benefits to which United States veterans are entitled. These are:

''(1) Filipinos who served in the regular components of the United States Armed Forces.

''(2) Regular Philippine Scouts, called 'Old Scouts,' who enlisted in Filipino-manned units of the United States Army prior to October 6, 1945.

''(3) Special Philippine Scouts, called 'New Scouts,' who enlisted in the United States Armed Forces between October 6, 1945, and June 30, 1947, primarily to perform occupational duty in the Pacific following World War II.

''(4) Members of the Philippine Commonwealth Army who on July 26, 1941, were called into the service of the United States Armed Forces. This group includes organized guerrilla resistance units that were recognized by the United States Army; and

''Whereas, the first two groups, Filipinos who served in the regular components of the United States Army and Old Scouts, are considered United States veterans and are generally entitled to the full range of United States veterans' benefits; and

''Whereas, the other two groups, New Scouts and members of the Commonwealth Army, are eligible for certain benefits, and some of these are paid at lower than full rates. United States veterans' medical benefits for the four groups of Filipino veterans vary depending upon whether the person resides in the United States or the Philippines; and

''Whereas, the Old Scouts were created in 1901 pursuant to the Act of February 2, 1901, that authorized the President of the United States 'to enlist natives [of the Philippines] . . . for service in the Army, to be organized as scouts . . . or as troops or companies, as authorized by this Act, for the regular Army'; and

''Whereas, prior to World War II, these troops assisted in the maintenance of domestic order in the Philippines and served as a combat ready force to defend the islands against foreign invasion; and

''Whereas, during the war, they participated in the defense of and retaking of the islands from Japanese occupation. The eligibility of Old Scouts for benefits based on military service in the United States Armed Forces, including veterans' benefits, has long been established; and

''Whereas, the federal Department of Veterans Affairs operates a comprehensive program of veterans' benefits in the Republic of the Philippines, including the operation of a federal Department of Veterans Affairs office in Manila; and

''Whereas, the federal Department of Veterans Affairs does not operate a program of this type in any other country; and

''Whereas, the program in the Philippines evolved because the Philippines were a United States possession during the period 1898–1946, and many Filipinos have served in the United States Armed Forces, and because the preindependence Commonwealth Army of the Philippines was called into the service of the United States Armed Forces during World War II (1941–1945); and

''Whereas, many Filipino veterans, however, have been discriminated against by the classification of their service as not being service rendered in the United States Armed Forces for purposes of benefits from the federal Department of Veterans' Affairs; and

''Whereas, Filipinos gallantly served at Bataan and Corregidor, giving their toil, blood, and lives so as to provide the United States valuable time to rearm materiel and men to launch the counter-offensive in the Pacific war; and

''Whereas, all other nationals, even foreigners, who served in the United States Armed Forces have been recognized and granted full rights and benefits, but the Filipinos who actually were American nationals at that time were and are still denied recognition and singled out for exclusion, and this treatment is unfair and discriminatory; and

''Whereas, on March 6, 1995, House Resolution 1136 was introduced in the United States House of Representatives, and on January 4, 1995, Senate bill 55 was introduced in the United States Senate, to deem service in the organized military forces of the government of the Commonwealth of the Philippines and the Philippine Scouts during World War II to be active service for the purpose of benefits under programs administered by the Secretary of Veterans Affairs; and

''Whereas, on January 4, 1995, Senate bill 72 was introduced in the United States Senate, to direct the Secretary of the Army to issue a certificate of service to Filipino nationals whom the Secretary determines have performed any military service in the Philippine Islands during World War II that qualifies the person or a survivor to receive any military, veterans', or other benefits under federal laws; and

''Whereas, the proposed legislation would bring relief to the estimated remaining 60,000 to 80,000 Filipino veterans (out of the initial 175,000 to 200,000 troops) who risked their lives during World War II, surviving the occupation of the Philippine Islands and the infamous Bataan Death March, and who, now in their mid-60's to mid-90's, have been battling for years to obtain the benefits of other veterans of that war: Now, therefore, be it

''*Resolved by the Senate and Assembly of the State of California, jointly,* That the Legislature of the State of California respectfully memorializes the President and Congress of the United States to act favorably on legislation pertaining to granting full veterans' benefits to Filipino veterans of the United States Armed Forces; and be it further

''*Resolved,* That the Secretary of the Senate transmit a copy of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States.''

POM–356. A joint resolution adopted by the Legislature of the State of California; to the Committee on Veterans' Affairs.

''SENATE JOINT RESOLUTION NO. 19

''Whereas, the American Legion estimates that more than 20,000 Persian Gulf War veterans are suffering from 'Gulf War illness' that is an affliction involving various undiagnosed, chronic ailments with symptoms that include fatigue, skin problems, headaches, muscle pain, joint pain, neurological symptoms, neuropsychological symptoms, respiratory system symptoms, sleep disturbances, gastrointestinal symptoms, cardiovascular symptoms, abnormal weight loss, and menstrual disorders; and

''Whereas, there is evidence that Persian Gulf War participants were exposed to chemical and biological warfare agents, chemical and biological warfare pretreatment drugs, and other hazardous materials and substances that are being linked to the symptoms of 'Gulf War illness'; and

''Whereas, there is also evidence that spouses and other family members of Persian Gulf War veterans are experiencing health problems related to 'Gulf War illness'; and

''Whereas, in November 1994 Congress enacted the Persian Gulf War Veterans' Act authorizing the Department of Veterans Affairs to compensate any Persian Gulf War veteran suffering from a chronic disability resulting from an undiagnosed illness or combination of undiagnosed illnesses that became manifest either during active duty in the Southwest Asia theater of operations or within a certain period following service in that area during the Persian Gulf War; and

''Whereas, despite mounting evidence that illnesses suffered by many Persian Gulf War veterans are service connected, many of the medical complaints of these veterans have yet to be diagnosed as service connected; Now, therefore, be it

''*Resolved by the Senate and Assembly of the State of California, jointly,* That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to take action to, as soon as possible, identify and locate those veterans of the Persian Gulf War that may be suffering from 'Gulf War illness,' and make adequate federal funds available for research on 'Gulf War illness' and for full medical treatment for all of those veterans suffering from 'Gulf War illness,' particularly those veterans who have chronic disabilities resulting from military service during the Persian Gulf War; and be it further

''*Resolved,* That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the United States House of Representatives, to each Senator and Representative from California in the Congress of the United States, and to the Administrator of Veterans Affairs.''

POM–357. A joint resolution adopted by the Legislature of the State of Maine; to the Committee on Veterans' Affairs.

''JOINT RESOLUTION

''Whereas, September 1995 marks the 50th anniversary of the end of World War II, the greatest armed conflict the world has ever known, in which the victory of the Allied united nations made possible the promise of peace, dignity and freedom for all peoples; and

''Whereas, in that conflict some 250,000 Americans served in the United States Merchant Marine, which carried goods, grain, armaments, food, personnel and materiel to Allied forces in both the Pacific and the Atlantic theaters, in the great ocean convoys President Roosevelt called the 'American bridge of ships'; and

''Whereas, in that conflict 6,835 United States merchant mariners and over 1,800 United States Navy personnel on merchant ships gave their lives for their country, the highest casualty rate of any United States service in World War II; and

''Whereas, in that conflict over 600 United States merchant mariners were incarcerated in Axis POW camps, suffering a casualty rate of over 10%; and

''Whereas, in that conflict Maine built and launched almost 270 Liberty ships at the Todd-Bath East and West Yards in South Poland, Maine and sent thousands of officers and enlisted personnel into the United States Merchant Marine, continuing the proud Maine tradition of 'those that go down to the sea in ships': Now, therefore, be it

''*Resolved,* That we, your Memorialists, respectfully recommend and urge the Congress of the United States to provide that certain service of members of the United States Merchant Marine during World War II constitutes active military service as proposed in bipartisan bills S–254 and H–44, now before the 104th Congress, as just and due recognition of the United States merchant mariners' selflessness, sacrifice and service to their country and the Allied cause; and be it further

''*Resolved,* That suitable copies of this Memorial, duly authenticated by the Secretary of State, be transmitted to the Honorable William J. Clinton, President of the United States, to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States and to each Member of the Maine Congressional Delegation.''

REPORTS OF COMMITTEES

The following report of committee was submitted:

By Mr. HATCH from the Committee on the Judiciary:

Report to accompany the joint resolution (S.J. Res. 21) proposing a constitutional amendment to limit congressional terms (Rpt. 104–158).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mrs. KASSEBAUM (for herself, Mr. KENNEDY, and Mr. FRIST):

S. 1324. A bill to amend the Public Health Service Act to revise and extend the solid-organ procurement and transplantation programs, and the bone marrow donor program, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. MCCAIN (for himself and Mr. KYL):

S. 1325. A bill to amend title XI of the Social Security Act to provide an incentive for the reporting of inaccurate medicare claims for payment, and for other purposes; to the Committee on Finance.

By Mrs. FEINSTEIN:

S. 1326. A bill respecting the relationship between workers' compensation benefits and the benefits available under the Migrant and Seasonal Agricultural Worker Protection Act; to the Committee on Labor and Human Resources.

By Mr. MCCAIN (for himself and Mr. KYL):

S. 1327. A bill to provide for the transfer of certain lands to the Salt River Pima-Maricopa Indian Community and the city of Scottsdale, Arizona, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DOLE (for Mr. HATCH (for himself, Mr. BIDEN, Mr. GRASSLEY, Mr. HEFLIN, Mr. SPECTER, Mr. SIMON, Mr. DEWINE, Mrs. FEINSTEIN, and Mr. ABRAHAM)):

S. 1328. A bill to amend the commencement dates of certain temporary Federal judgeships; read the first time.

By Mr. DOLE:

S. 1329. A bill to amend title 38, United States Code, to provide for educational assistance to veterans, and for other purposes; to the Committee on Armed Services.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mrs. KASSEBAUM (for herself, Mr. KENNEDY, and Mr. FRIST):

S. 1324. A bill to amend the Public Health Service Act to revise and extend the solid-organ procurement and transplantation programs, and the bone marrow donor program, and for other purposes; to the Committee on Labor and Human Resources.

THE ORGAN AND BONE MARROW TRANSPLANT PROGRAM REAUTHORIZATION ACT OF 1995

Mrs. KASSEBAUM. Mr. President, on behalf of Senator KENNEDY, Senator FRIST, and myself, I introduce legislation which will further improve the quality and equity of solid organ and marrow transplantation.

We can all be proud of the solid foundation that private initiatives, supported by Federal funding, have created. However, now that this infrastructure is in place, I believe that it is time for Congress to reexamine the Federal role in the oversight and the financing of solid organ and bone marrow transplantation.

The partnership between the Government, the solid-organ transplant community, and the public has worked well. However, the recent experience with the heart transplant program in my own State of Kansas, or the public distrust voiced when Mickey Mantle received his liver transplant, reminds us that improvements need to be made.

In 1994, more than 18,000 solid organ transplants were performed. Yet, more than 41,000 other Americans still await an organ for transplantation. This disparity between the supply and the demand for organs to transplant confirms that continued Federal oversight is necessary to provide the public with a sense of fairness and trust. Even though Federal oversight is still required, we must consider alternatives to fund the vital functions of the organ transplant network.

The legislation we are introducing today stresses equity for all beneficiaries and proposes a balanced approach. Governmental oversight is maintained but clarified. The Organ Transplant Network remains responsible for the development of transplant policies, and the program remains grounded in the expertise of the transplant community.

The importance of transplant candidates, patients, and their families as the real consumers of transplant services is reconfirmed, and this legislation increases their voice in the process. In addition, the phase-in of a new ''data management fee'' will guarantee that future transplant services will continue uninterrupted.

Mr. President, the shortage of organs for transplantation is a problem which we, as a nation, have not yet solved. Recent medical studies have shown a continued reluctance by the American public to consent to organ donation when faced with the impending death of a family member. New and innovative approaches must be developed to increase the public's acceptance of organ donation. This legislation authorizes funding—obtained through a partnership among the government, the Nation's transplant centers, and the organ procurement organizations—to address the continued shortage of organs for transplantation. A single piece of legislation cannot be expected to correct the problem of insufficient organs for transplantation, but we believe that this proposal moves the transplant program in the right direction.

Unrelated-donor bone marrow transplantation poses a different challenge. The National Bone Marrow Donor Registry was developed to facilitate and to maximize the number of bone marrow transplants for patients who do not have a matched relative. The success of this program to recruit potential marrow donors has been admirable, but as noted in the recent past by the General Accounting Office, the number of resulting transplants has been quite modest.

Increasing the number of unrelated-donor bone marrow transplantations will likely require more than just expanding the potential marrow donor pool. Improvements in technology and scientific understanding of transplantation will need to be made. Because of these biologic limitations, I question continued Federal funding and the merits of a government-funded national bone marrow registry.

Therefore, Mr. President, this legislation reauthorizes the National Bone Marrow Donor Registry, it reconfirms the goal to increase unrelated-donor bone marrow transplants, and it provides advocacy services for patients and donors. This legislation also requests the Institute of Medicine to evaluate the future role of a government-funded marrow transplant program as a means to maximize the number of unrelated-donor bone marrow transplants.

I recognize that the present Federal budget constraints and the proposed reevaluation of the Federal role in transplantation have caused some concern. However, I believe this situation provides both the transplant communities and the Congress with a unique opportunity. This legislation is a carefully crafted plan for the future. It strives for equity for all beneficiaries, an appropriate degree of Government oversight, an evaluation of the future governmental role, an appropriate level of fiscal responsibility, and the development of a system to respond to the present and future transplantation needs.

As discussion of these issues develops, I would welcome any suggestions my colleagues or others may have for improving this legislation.

Mr. President, I ask unanimous consent that the text of the bill and a summary be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1324

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Organ and Bone Marrow Transplant Program Reauthorization Act of 1995''.

TITLE I—SOLID-ORGAN TRANSPLANT PROGRAM

SEC. 101. SHORT TITLE.

This title may be cited as the ''Solid-Organ Transplant Program Reauthorization Act of 1995''.

SEC. 102. ORGAN PROCUREMENT ORGANIZATIONS.

(a) IN GENERAL.—Subsection (a) of section 371 of the Public Health Service Act (42 U.S.C. 273(a)) is amended to read as follows:

''(a)(1) The Secretary may enter into cooperative agreements and contracts with qualified organ procurement organizations described in subsection (b) and other public or nonprofit private entities for the purpose of increasing organ donation through approaches such as—

''(A) the planning and conducting of programs to provide information and education to the public on the need for organ donations;

''(B) the training of individuals in requesting such donations;

''(C) the provision of technical assistance to organ procurement organizations and other entities that can contribute to organ donation;

''(D) the performance of research and the performance of demonstration programs by organ procurement organizations and other entities that may increase organ donation;

''(E) the voluntary consolidation of organ procurement organizations and tissue banks; or

''(F) increasing organ donation and access to transplantation with respect to minority populations for which there is a greater degree of organ shortages relative to the general population.

''(2)(A) In entering into cooperative agreements and contracts under subparagraphs (A) and (B) of paragraph (1), the Secretary shall give priority to increasing donations and improving consent rates for the purpose described in such paragraph.

''(B) In entering into cooperative agreements and contracts under paragraph (1)(C), the Secretary shall give priority to carrying out the purpose described in such paragraph with respect to increasing donations from both organ procurement organizations and hospitals.''.

(b) QUALIFIED ORGAN PROCUREMENT ORGANIZATIONS.—Section 371(b) of such Act (42 U.S.C. 273(b)) is amended—

(1) in paragraph (1)—

(A) in the matter preceding subparagraph (A)—

(i) by striking ''for which grants may be made under subsection (a)'' and inserting ''described in this section''; and

(ii) by striking ''paragraph (2)'' and inserting ''Paragraph (3)'';

(B) by realigning the margin of subparagraph (E) so as to align with the margin of subparagraph (D); and

(C) in subparagraph (G)—

(i) in the matter preceding clause (i), by striking ''directors or an advisory board'' and inserting ''directors (or an advisory board, in the case of a hospital-based organ procurement organization established prior to September 1, 1993)''; and

(ii) in clause (i)—

(I) by striking ''composed of'' in the matter preceding subclause (I) and inserting ''composed of a reasonable balance of'';

(II) by inserting before the comma in subclause (II) the following: '', including individuals who have received a transplant of an organ (or transplant candidates), and individuals who are part of the family of an individual who has donated or received an organ or who is a transplant candidate'';

(III) by striking subclause (IV) and inserting the following new subclause:

''(IV) physicians or other health care professionals with knowledge and skill in the field of neurology, emergency medicine, or trauma surgery''; and

(IV) in subclause (V), by striking ''a member'' and all that follows through the comma and insert the following: ''a member who is a surgeon or physician who has privileges to practice in such centers and who is actively and directly involved in caring for transplant patients,'';

(2) by striking paragraph (2);

(3) by redesignating paragraph (3) as paragraph (2);

(4) in paragraph (2) (as so redesignated)—

(A) in subparagraph (A)—

(i) by striking ''a substantial majority'' and inserting ''all'';

(ii) by striking ''donation,'' and inserting ''donation, unless they have been previously granted by the Secretary a waiver from paragraph (1)(A) or have waivers pending under section 1138 of the Social Security Act''; and

(iii) by adding at the end thereof the following: ''except that the Secretary may waive the requirements of this subparagraph upon the request of the organ procurement organization if the Secretary determines that such an agreement would not be helpful in promoting organ donation,'';

(B) by redesignating subparagraphs (B) through (K) as subparagraphs (D) through (M), respectively,

(C) by inserting after subparagraph (A) the following new subparagraphs:

''(B) conduct and participate in systematic efforts, including public education, to increase the number of potential donors, including minority populations for which there is a greater degree of organ shortage than that of the general population,

''(C) be a member of and abide by the rules and requirements of the Organ Procurement and Transplantation Network (referred to in this part as the 'Network') established under section 372,'';

(D) by inserting before the comma in subparagraph (G) (as so redesignated) the following: '', which system shall, at a minimum, allocate each type of organ on the basis of—

''(i) a single list encompassing the entire service area;

''(ii) a list that encompasses at least an entire State;

''(iii) a list that encompasses an approved alternative local unit (as defined in paragraph (3)) that is approved by the Network and the Secretary, or

''(iv) a list that encompasses another allocation system which has been approved by the Network and the Secretary,

of individuals who have been medically referred to a transplant center in the service area of the organization in order to receive a transplant of the type of organ with respect to which the list is maintained and had been placed on an organ specific waiting list;'';

(E) by inserting before the comma in subparagraph (I) (as so redesignated) the following: ''and work with local transplant centers to ensure that such centers are actively involved with organ donation efforts''; and

(F) by inserting after ''evaluate annually'' in subparagraph (L) (as so redesignated) the following ''and submit data to the Network contractor on'' the effectiveness of the organization,''; and

(5) by adding at the end thereof the following new paragraph:

''(3)(A) As used in paragraph (2)(G), the term 'alternative local unit' means—

''(i) a unit composed of two or more organ procurement organizations; or

''(ii) a subdivision of an organ procurement organization that operates as a distinct procurement and distribution unit as a result of special geographic, rural, or minority population concerns but that is not composed of any subunit of a metropolitan statistical area.

''(B) The Network shall make recommendations to the Secretary concerning the approval or denial of alternative local units. The Network shall assess whether the alternative local units will better promote organ donation and the equitable allocation of organs.

''(C) The Secretary shall approve or deny any alternative local unit designation recommended by the Network. The Secretary shall have 60 days, beginning on the date on which the application is submitted to the Secretary, to approve or deny the recommendations of the Network under subparagraph (B) with respect to the application of the alternative local unit.''.

(c) AFFECT OF AMENDMENTS.—The amendments made by subsection (b) shall not be construed to affect the provisions of section 1138(a) of the Social Security Act (42 U.S.C. 1320b-8(a)).

(d) EFFECTIVE DATE.—The amendments made by subsection (b) shall apply to organ procurement organizations and the Organ Procurement and Transplantation Network beginning January 1, 1996.

SEC. 103. ORGAN PROCUREMENT AND TRANSPLANTATION NETWORK.

(a) OPERATION.—Subsection (a) of section 372 of the Public Health Service Act (42 U.S.C. 274(a)) is amended to read as follows:

''(a)(1) Congress finds that—

''(A) it is in the public interest to maintain and improve a durable system for promoting and supporting a central network to assist organ procurement organizations in the nationwide distribution of organs among transplant patients;

''(B) it is desirable to continue the partnership between public and private enterprise, by continuing to provide Federal Government oversight and assistance for services performed by the Network; and

''(C) the Federal Government should actively oversee Network activities to ensure that the policies and procedures of the Network for serving patient and donor families and procuring and distributing organs are fair, efficient and in compliance with all applicable legal rules and standards; however, the initiative and primary responsibility for establishing medical criteria and standards for organ procurement and transplantation stills resides with the Network.

''(2) The Secretary shall provide by contract for the operation of the Network which shall meet the requirements of subsection (b).

''(3) The Network shall be recognized as a private entity that has an expertise in organ procurement and transplantation with the primary purposes of encouraging organ donation, maintaining a 'wait list', and operating and monitoring an equitable and effective system for allocating organs to transplant recipients, and shall report to the Secretary instances of continuing noncompliance with policies (or when promulgated, rules) and requirements of the Network.

''(4) The Network may assess a fee (to be known as the 'patient registration fee'), to be collected by the contractor for listing each potential transplant recipient on its national organ matching system, in an amount which is reasonable and customary and determined by the Network and approved as such by the Secretary. The patient registration fee shall be calculated so as to be sufficient to cover the Network's reasonable costs of operation in accordance with this section. The Secretary shall have 60 days, beginning on the date on which the written application justifying the proposed fee as reasonable is submitted to the Secretary, to

provide the Network with a written determination and rationale for such determination that the proposed increase is not reasonable and customary and that the Secretary disapproves the recommendation of the Network under this paragraph with respect to the change in fee for listing each potential transplant recipient.

''(5) Any increase in the patient registration fee shall be limited to an increase that is reasonably required as a result of—

''(A) increases in the level or cost of contract tasks and other activities related to organ procurement and transplantation; or

''(B) decreases in expected revenue from patient registration fees available to the contractor.

The patient registration fees shall not be increased more than once during each year.

''(6) All fees collected by the Network contractor under paragraph (4) shall be available to the Network without fiscal year limitation. The contract with the Network contractor shall provide that expenditures of such funds (including patient registration fees collected by the contractor and or contract funds) are subject to an annual audit under the provisions of the Office of Management and Budget Circular No. A–133 entitled 'Audits of Institutions of Higher Learning and Other Nonprofit Institutions' to be performed by the Secretary or an authorized auditor at the discretion of the Secretary. A report concerning the audit and recommendations regarding expenditures shall be submitted to the Network, the contractor, and the Secretary.

''(7) The Secretary may institute and collect a data management fee from transplant hospitals and organ procurement organizations. Such fees shall be directed to and shall be sufficient to cover—

''(A) the costs of the operation and administration of the Scientific Registry in accordance with the contract under section 373; and

''(B) the costs of contracts and cooperative agreements to support efforts to increase organ donation under section 371.

Such data management fee shall be set annually by the Network in an amount determined by the Network, in consultation with the Secretary, and approved by the Secretary. Such data management fee shall be calculated to be sufficient to cover the reasonable costs of operation in accordance with section 373. Such data management fee shall be calculated based on the number of transplants performed or facilitated by each transplant hospital or center, or organ procurement organization. The per transplant data management fee shall be divided so that the patient specific transplant center will pay 80 percent and the procuring organ procurement organization will pay 20 percent of the per transplant data management fee. Such fees shall be available to the Secretary and the contractor operating the Scientific Registry without fiscal year limitation. The expenditure (including fees or contract funds) of such fees by the contractor shall be subject to an annual independent audit (performed by the Secretary or an authorized auditor at the discretion of the Secretary) and reported along with recommendations regarding such expenditures, to the Network, the contractor and the Secretary.

''(8) The Secretary and the Comptroller General shall have access to all data collected by the contractor or contractors in carrying out its responsibilities under the contract under this section and section 373.''.

(b) REQUIREMENTS.—Section 372(b) of the Public Health Service Act (42 U.S.C. 274(b)) is amended—

(1) in paragraph (1)(B)—

(A) in clause (i)—

(i) by striking ''(including organizations that have received grants under section 371)''; and

(ii) by striking ''; and'' at the end thereof and inserting ''(including both individuals who have received a transplant of an organ (or transplant candidates), individuals who are part of the family of individuals who have donated or received an organ, the number of whom shall make up a reasonable portion of the total number of board members), and the Division of Organ Transplantation of the Bureau of Health Resources Development (the Health Resources and Services Administration) shall be represented at all meetings except for those pertaining to the Network contractor's internal business;'';

(B) in clause (ii)—

(i) by inserting ''including a patient affairs committee and a minority affairs committee'' after ''committees,''; and

(ii) by striking the period; and

(C) by adding at the end thereof the following new clauses:

''(iii) that shall include representation by a member of the Division of Organ Transplantation of the Bureau of Health Resources Development (the Health Resources and Services Administration) as a representative at all meetings (except for those portions of committee meetings pertaining to the Network contractor's internal business) of all committees (including the executive committee, finance committee, nominating committee, and membership and professional standards committee) under clause (ii);

''(iv) that may include a member from an organ procurement organization on all committees under clause (ii); and

''(v) that may include physicians or other health care professionals with knowledge and skill in the field of neurology, emergency medicine, and trauma surgery on all committees under clause (ii).''; and

(2) in paragraph (2)—

(A) in subparagraph (A)—

(i) in the matter preceding clause (i), by striking ''or through regional centers'' and inserting ''and at each Organ Procurement Organization''; and

(ii) by striking clause (i) and inserting the following new clause:

''(i) with respect to each type of transplant, a national list of individuals who have been medically referred to receive a transplant of the type of organs with respect to which the list is maintained (which list shall include the names of all individuals included on lists in effect under section 371(b)(2)(G)), and'';

(B) in subparagraph (B), by inserting '', including requirements under section 371(b),'' after ''membership criteria'';

(C) by redesignating subparagraphs (E) through (L), as subparagraphs (F) through (M), respectively;

(D) by inserting after subparagraph (D), the following new subparagraph:

''(E) assist and monitor organ procurement organizations in the equitable distribution of organs among transplant patients,'';

(E) in subparagraph (K) (as so redesignated), by striking ''and'' at the end thereof;

(F) in subparagraph (L) (as so redesignated), by striking the period and inserting '', including making recommendations to organ procurements organizations and the Secretary based on data submitted to the Network under section 371(b)(2)(L),'';

(G) in subparagraph (M) (as so redesignated)—

(i) by striking ''annual'' and inserting ''biennial'';

(ii) by striking ''the comparative costs and'';

(iii) by striking the period and inserting the following: '', including survival information, waiting list information, and information pertaining to the qualifications and experience of transplant surgeons and physicians affiliated with the specific Network programs,''; and

(H) by adding at the end thereof the following new subparagraphs:

''(N) submit to the Secretary for approval a written notice containing a justification, as reasonable and customary, of any proposed increase in the patient registration fees as maintained under subparagraph (A)(i), such change to be considered as so approved if the Secretary does not provide written notification otherwise prior to the expiration of the 60-day period beginning on the date on which the notice of proposed change is submitted to the Secretary,

''(O) make available to the Secretary such information, books, and records regarding the Network as the Secretary may require,

''(P) submit to the Secretary, in a manner prescribed by the Secretary, an annual report concerning the scientific and clinical status of organ donation and transplantation, and

''(Q) meet such other criteria regarding compliance with this part as the Secretary may establish.''.

(c) PROCEDURES.—Section 372(c) of the Public Health Service Act (42 U.S.C. 274(c)) is amended—

(1) in paragraph (1), by striking ''and'' at the end thereof;

(2) in paragraph (2), by striking the period and inserting a semicolon; and

(3) by adding at the end thereof the following new paragraphs:

''(3) working through and with, the Network contractor to define priorities; and

''(4) working through, working with, and directing the Network contractor to respond to new emerging issues and problems.''.

(d) EXPANSION OF ACCESS.—Section 372 of the Public Health Service Act (42 U.S.C. 274) is amended by adding at the end thereof the following new subsection:

''(d) EXPANSION OF ACCESS TO COMMITTEES AND BOARD OF DIRECTORS.—Not later than 1 year after the completion of the Institute of Medicine study, the Network contractor, in consultation with the Network and the Secretary, shall implement the study recommendations relating to the access of all interested constituencies and organizations to membership on the Network Board of Directors and all of its committees. Ensuring the reasonable mix of minorities shall be a priority of the plan for implementation.''.

(e) REGULATIONS.—

(1) IN GENERAL.—Not later than the expiration of the 1-year period beginning on the date of enactment of this Act, the Secretary of Health and Human Services shall issue a final rule to establish the regulations for criteria under part H of title III of the Public Health Service Act (42 U.S.C. 273 et seq.).

(2) CONSIDERATION OF CERTAIN BYLAWS AND POLICIES.—In developing regulations under paragraph (1), the Secretary shall consider the bylaws and policies of the Network.

(3) FAILURE TO ISSUE REGULATIONS BY DATE CERTAIN.—

(A) IN GENERAL.—If the Secretary fails to issue a final rule under paragraph (1) prior to the expiration of the period referred to in such paragraph, the notice of proposed rule making issued by the Secretary on September 8, 1994, (which shall be referred to as the ''proposed final rule'') shall be deemed to be the final rule under paragraph (1), and shall remain in effect until the Secretary issues a final rule under such paragraph.

(B) CONFLICT BETWEEN RULE AND POLICY.—Except as otherwise provided in this paragraph, and effective as described in paragraph (1), if the Secretary determines that there is a conflict between the proposed final rule and Network policy, the Secretary shall

ensure that the proposed final rule is enforced until the final rule is issued.

(C) NEW POLICIES.—The Secretary shall require that new policies developed after September 8, 1994, (the date of the publication of the ''Notice of Proposed Rule Making'') shall go through the policy development process as described in section 121.3(a)(6) of such ''Notice of Proposed Rule Making''.

SEC. 104. TERMS AND CONDITIONS OF GRANTS AND CONTRACTS.

Section 374 of the Public Health Service Act (42 U.S.C. 274b) is amended—

(1) in subsection (b)(2), by striking ''two years'' and inserting ''(three years)'';

(2) in subsection (c)—

(A) by redesignating paragraph (1) and (2) as paragraphs (2) and (3), respectively; and

(B) by inserting before paragraph (2) (as so redesignated) the following new paragraph:

''(1) The Secretary shall annually withhold not to exceed $250,000 or 10 percent of the amount of the data management fees collected under section 372 (whichever is greater) to be used to fund contracts as described in section 371.'';

(3) by redesignating subsection (d) as subsection (e); and

(4) by adding at the end thereof the following new subsection:

''(d) No contract in excess of $25,000 may be made under this part using funds withheld under subsection (c)(1) unless an application for such contract has been submitted to the Secretary, recommended by the Network and approved by the Secretary. Such an application shall be in such form and be submitted in such a manner as the Secretary shall prescribe.''.

SEC. 105. ADMINISTRATION.

Section 375 of the Public Health Service Act (42 U.S.C. 274c) is amended—

(1) in section 375 (42 U.S.C. 274c), by inserting before the dash the following: ''oversee the Network, the Scientific Registry and to'';

(2) in paragraph (3)—

(A) by inserting ''and oversight'' after ''assistance'';

(B) by striking ''in the health care system''; and

(C) by striking ''and'' at the end thereof;

(3) in paragraph (4), by striking the period and inserting ''; and''; and

(4) by adding at the end thereof the following new paragraph:

''(5) through contract, prepare a triennial organ procurement organization specific data report (the initial report to be completed not later than 18 months after the date of enactment of this paragraph) that includes—

''(A) data concerning the effectiveness of each organ procurement organization in acquiring potentially available organs, particularly among minority populations;

''(B) data concerning the variation of procurement across hospitals within the organ procurement organization region;

''(C) a plan to increase procurement, particularly among minority populations for which there is a greater degree of organ shortages relative to the general population; and

''(D) a plan to increase procurement at hospitals with low rates of procurement.''.

SEC. 106. STUDY AND REPORT.

Section 377 of the Public Health Service Act (42 U.S.C. 174f) is amended to read as follows:

''SEC. 377. STUDY AND REPORT.

''(a) EVALUATION BY THE INSTITUTE OF MEDICINE.—

''(1) IN GENERAL.—The Secretary shall enter into a contract with a public or nonprofit private entity to conduct a study and evaluation of—

''(A) the role of and the impact of the Federal Government in the oversight and support of solid-organ transplantation, the Network (which on the date of enactment of this section carries out its functions by government contract) and the solid organ transplantation scientific registry; and

''(B) the access of all interested constituencies and organizations to membership on the Network board of directors and all Network committees;

''(2) INSTITUTE OF MEDICINE.—The Secretary shall request the Institute of Medicine of the National Academy of Sciences to enter into the contract under paragraph (1) to conduct the study and evaluation described in such paragraph. If the Institute declines to conduct the study and evaluation under such paragraph, the Secretary shall carry out such activities through another public or nonprofit private entity.

(b) REPORT.—Not later than 2 years after the date of enactment of this section, the Institute of Medicine (or other entity as the case may be) shall complete the study required under subsection (a)(1) and prepare and submit to the Committee on Labor and Human Resources of the Senate, a report describing the findings made as a result of the study.''.

SEC. 107. GENERAL PROVISIONS.

(a) CONTRACTS.—Section 374 of the Public Health Service Act (42 U.S.C. 274b) is amended—

(1) in the section heading, by striking ''GRANTS AND'';

(2) in subsection (a), by striking ''grant may be made under this part or contract'' and inserting ''contract may be'';

(3) in subsection (b)—

(A) in paragraph (1)—

(i) by striking ''grant'' and inserting ''contract''; and

(ii) by striking ''and may not exceed $100,000'';

(B) by striking paragraph (2);

(C) by redesignating paragraph (3) as paragraph (2); and

(D) in paragraph (2) (as so redesignated)—

(i) by striking ''Grants or contracts'' and inserting ''Contracts''; and

(ii) by striking ''371(a)(3)'' and inserting ''371(a)(2)'';

(4) in subsection (c)—

(A) by striking ''grant or'' each place that such appears; and

(B) in paragraph (1), by striking ''grants and''; and

(5) in subsection (d)(2), by striking ''and for purposes of section 373, such term includes bone marrow''.

(b) REPEAL.—Sections 376 and 378 of the Public Health Service Act (42 U.S.C. 274d and 274g) are repealed.

SEC. 108. AUTHORIZATION OF APPROPRIATION.

Part H of title III of the Public Health Service Act (42 U.S.C. 273 et seq.) is amended by adding at the end thereof the following new section:

''SEC. 378. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out sections 371, 372, and 373, $1,950,000 for fiscal year 1997, and $1,100,000 for fiscal year 1998, and to carry out section 371, $250,000 for each of the fiscal years 1999 through 2001.''.

SEC. 109. EFFECTIVE DATES.

The amendments made by this title shall become effective on the date of enactment of this Act.

TITLE II—BONE MARROW DONOR PROGRAM

SEC. 201. SHORT TITLE.

This title may be cited as the ''Bone Marrow Transplantation Program Reauthorization Act of 1995''.

SEC. 202. REAUTHORIZATION.

(a) ESTABLISHMENT OF DONOR REGISTRY.—Section 379(a) of the Public Health Service Act (42 U.S.C. 274k(a)) is amended—

(1) by striking '' 'Registry' '' and inserting '' 'Donor Registry' '';

(2) by inserting after the end parenthasis the following: ''the primary purpose of which shall be increasing unrelated donor marrow transplants,''; and

(2) by adding at the end thereof the following: ''With respect to the board of directors—

''(1) each member of the board shall serve for a term of 2 years, and each such member may serve as many as three consecutive 2-year terms;

''(2) a member of the board may continue to serve after the expiration of the term of such member until a successor is appointed;

''(3) to ensure the continuity of the board, not more than one-third of the board shall be composed of members newly appointed each year;

''(4) all appointed and elected positions within committees established by the board shall be for 2-year periods;

''(5) the terms of approximately one-third of the members of each such committee will be subject each year to reappointment or replacement;

''(6) no individual shall serve more than three consecutive 2-year terms on any such committee; and

''(7) the board and committees shall be composed of a reasonable balance of representatives of donor centers, transplant centers, blood banks, marrow transplant recipients, individuals who are family members of an individual who has required, received, or is registered with the Donor Registry to become a recipient of a transplant from a biologically unrelated marrow donor, with nonvoting representatives from the Naval Medical Research and Development Command and the Division of Organ Transplantation of the Bureau of Health Resources Development (of the Health Resources and Services Administration).''.

(b) PROGRAM FOR UNRELATED MARROW TRANSPLANTS.—Section 379(b) of such Act (42 U.S.C. 274k(b)) is amended—

(1) in paragraph (4) to read as follows:

''(4) provide information to physicians, other health care professionals, and the public regarding the availability of unrelated marrow transplantation as a potential treatment option;'';

(2) in paragraph (5) to read as follows:

''(5) establish a program for the recruitment of new bone marrow donors that includes—

''(A) the priority to increase minority potential marrow donors for which there is a greater degree of marrow donor shortage than that of the general population; and

''(B) the compilation and distribution of informational materials to educate and update potential donors;'';

(3) by redesignating paragraphs (6) and (7) as paragraphs (8) and (9), respectively; and

(4) by inserting after paragraph (5), the following new paragraphs:

''(6) annually update the Donor Registry to account for changes in potential donor status;

''(7) not later than 1 year after the date on which the 'Bone Marrow Program Inspection' (hereafter referred to in this part as the 'Inspection') that is being conducted by the Office of the Inspector General on the date of enactment of this paragraph is completed, in consultation with the Secretary, and based on the findings and recommendations of the Inspection, the marrow donor program shall develop, evaluate, and implement a plan to streamline and make more efficient the relationship between the Donor Registry and donor centers;''.

(c) INFORMATION AND EDUCATION PROGRAM.—Section 379 of such Act (42 U.S.C. 274k) is amended—

(1) by redesignating subsection (j) as subsection (k); and

(2) by inserting after subsection (i), the following new subsection:

''(j) INFORMATION AND EDUCATION PROGRAM.—

''(1) IN GENERAL.—The Secretary may enter into contracts with, public or nonprofit private entities for the purpose of increasing unrelated allogeneic marrow transplants, by enabling such entities to—

''(A) plan and conduct programs to provide information and education to the professional health care community on the availability of unrelated allogeneic marrow transplants as a potential treatment option;

''(B) plan and conduct programs to provide information and education to the public on the need for donations of bone marrow;

''(C) train individuals in requesting bone marrow donations; and

''(D) recruit, test and enroll marrow donors with the priority being minorities for which there is a greater degree of marrow donor shortage than that of the general population.

''(2) PRIORITIES.—In awarding contracts under paragraph (1), the Secretary shall give priority to carrying out the purposes described in such paragraph with respect to minority populations.''.

(d) PATIENT ADVOCACY AND CASE MANAGEMENT.—

(1) IN GENERAL.—Section 379 of such Act (42 U.S.C. 274k), as amended by subsection (c), is further amended—

(A) by redesignating subsection (k) as subsection (l); and

(B) by inserting after subsection (j), the following new subsection:

''(k) PATIENT ADVOCACY AND CASE MANAGEMENT.—

''(1) ESTABLISHMENT.—The Donor Registry shall establish and maintain an office of patient advocacy and case management that meets the requirements of this subsection.

''(2) FUNCTIONS.—The office established under paragraph (1) shall—

''(A) be headed by a director who shall serve as an advocate on behalf of—

''(i) individuals who are registered with the Donor Registry to search for a biologically unrelated bone marrow donor;

''(ii) the physicians involved; and

''(iii) individuals who are included in the Donor Registry as potential marrow donors.

''(B) establish and maintain a system for patient advocacy that directly assists patients, their families, and their physicians in a search for an unrelated donor;

''(C) provide individual case management services to directly assist individuals and physicians referred to in subparagraph (A), including—

''(i) individualized case assessment and tracking of preliminary search through activation (including when the search process is interrupted or discontinued);

''(ii) informing individuals and physicians on regular intervals of progress made in searching for appropriate donors; and

''(iii) identifying and resolving individual search problems or concerns;

''(D) collect and analyze data concerning the number and percentage of individuals proceeding from preliminary to formal search, formal search to transplantation, the number and percentage of patients unable to complete the search process, and the comparative costs incurred by patients prior to transplant;

''(E) survey patients to evaluate how well such patients are being served and make recommendations for streamlining the search process; and

''(F) provide individual case management services to individual marrow donors.

''(3) EVALUATION.—

''(A) IN GENERAL.—The Secretary shall evaluate the system established under paragraph (1) and make recommendations concerning the success or failure of such system in improving patient satisfaction, and any impact the system has had on assisting individuals in proceeding to transplant.

''(B) REPORT.—Not later than April 1, 1996, the Secretary shall prepare and make available a report concerning the evaluation conducted under subparagraph (A), including the recommendations developed under such subparagraph.''.

(2) DONOR REGISTRY FUNCTIONS.—Section 379(b)(2) of such Act (42 U.S. C. 274k(b)(2)) is amended by striking ''establish'' and all that follows through ''directly assists'' and inserting ''integrate the activities of the patient advocacy and case management office established under subsection (k) with the remaining Donor Registry functions by making available information on (A) the resources available through the Donor Registry Program, (B) the comparative costs incurred by patients prior to transplant, and (C) the marrow donor registries that meet the standards described in paragraphs (3) and (4) of subsection (c), to assist''.

(e) STUDY AND REPORTS.—Section 379A of such Act (42 U.S.C. 274l) is amended to read as follows:

''SEC. 379A. STUDIES, EVALUATIONS AND REPORTS.

''(a) EVALUATION BY THE INSTITUTE OF MEDICINE.—

''(1) IN GENERAL.—The Secretary shall enter into a contract with a public or nonprofit private entity to conduct a study and evaluation of—

''(A) the role of a national bone marrow transplant program supported by the Federal Government in facilitating the maximum number of unrelated marrow donor transplants; and

''(B) other possible clinical or scientific uses of the potential donor pool or accompanying information maintained by the Donor Registry or the unrelated marrow donor scientific registry.

''(2) INSTITUTE OF MEDICINE.—The Secretary shall request the Institute of Medicine of the National Academy of Sciences to enter into the contract under paragraph (1) to conduct the study and evaluation described in such paragraph. If the Institute declines to conduct the study and evaluation under such paragraph, the Secretary shall carry out such activities through another public or nonprofit private entity.

''(3) REPORT.—Not later than 2 years after the date of enactment of this section, the Institute of Medicine (or other entity as the case may be) shall complete the study required under paragraph (1) and prepare and submit to the Committee on Labor and Human Resources of the Senate, a report describing the findings made as a result of the study.

''(b) BONE MARROW CONSOLIDATION.—

''(1) IN GENERAL.—The Secretary shall conduct—

''(A) an evaluation of the feasibility of integrating or consolidating all federally funded bone marrow transplantation scientific registries, regardless of the type of marrow reconstitution utilized; and

''(B) an evaluation of all federally funded bone marrow transplantation research to be conducted under the direction and administration of the peer review system of the National Institutes of Health.

''(2) REPORT.—Not later than 1 year after the date of enactment of this section, the Secretary shall prepare and submit to the Committee on Labor and Human Resources of the Senate a report concerning the evaluations conducted under paragraph (1).

''(3) DEFINITION.—As used in paragraph (1), the term 'marrow reconstitution' shall encompass all sources of hematopoietic cells including marrow (autologous, related or unrelated allogeneic, syngeneic), autologous marrow, allogeneic marrow (biologically related or unrelated), umbilical cord blood cells, peripheral blood progenitor cells, or other approaches that maybe utilized.''.

(f) BONE MARROW TRANSPLANTATION SCIENTIFIC REGISTRY.—Part I of title III of such Act (42 U.S.C. 274k et seq.) is amended by adding at the end thereof the following new section:

''SEC. 379B. BONE MARROW SCIENTIFIC REGISTRY.

''(a) ESTABLISHMENT.—The Secretary, acting through the Donor Registry, shall establish and maintain a bone marrow scientific registry of all recipients of biologic unrelated allogeneic marrow donors.

''(b) INFORMATION.—The bone marrow transplantation scientific registry established under subsection (a) shall include information with respect to patients who have received biologic unrelated allogeneic marrow transplant, transplant procedures, pretransplant and transplant costs, and other information the Secretary determines to be necessary to conduct an ongoing evaluation of the scientific and clinic status of unrelated allogeneic marrow transplantation.

''(c) REPORT.—The Donor Registry shall submit to the Secretary on an annual basis a report using data collected and maintained by the bone marrow transplantation scientific registry established under subsection (a) concerning patient outcomes with respect to each transplant center and the pretransplant comparative costs involved at such transplant centers.''.

(g) AUTHORIZATION OF APPROPRIATIONS.—Part I of title III of such Act (42 U.S.C. 274k et seq.) as amended by subsection (f), is further amended by adding at the end thereof the following new section:

''SEC. 379C. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out section 379, $13,500,000 for fiscal year 1997, $12,150,000 for fiscal year 1998, and such sums as may be necessary for fiscal year 1999.''.

SOLID ORGAN AND BONE MARROW TRANSPLANT PROGRAM REAUTHORIZATION ACT OF 1995—SUMMARY

TITLE I—SOLID ORGAN TRANSPLANT PROGRAM REAUTHORIZATION ACT OF 1995

I. Organ Procurement Organizations:

(1) The Secretary may enter into cooperative agreements and contracts with Organ Procurement Organizations (OPOs) and other public or nonprofit entities for the purpose of increasing organ donation.

The importance of increased donation and the recruitment of minority donors is reconfirmed.

(2) The Board of Directors (or an advisory board) of an OPO shall be diversified and composed of a ''reasonable balance of'' individuals, including individuals who have received a transplant (or a transplant candidate) and/or their family members.

(3) OPOs will be members of the Organ Transplant and Procurement Network (Network) and will abide by the Network rules.

(4) Allocation systems at a minimum shall allocate each type of solid organ on the basis of:

A single list encompassing the entire service area, or, a list encompassing at least an entire state, or, a list that encompasses an approved alternative local unit, or, a list

that encompasses another allocation system which is approved by the Network and the Secretary.

(5) The amendments included in this act do not interfere with Section 1138 of the Social Security Act (Medicare Technicals) pertaining to the relationships between hospitals and OPOs.

II. Transplant Network:

(1) The Secretary shall provide by Contract for the operation of the Network and the maintenance of a national waiting list. Implementation of the Contract will be carried out by the Network contractor.

Continuation of the partnership between the government and private entities is desirable.

The federal government shall oversee Network activities.

(2) The Network continues to be recognized as a private entity that has an expertise in organ procurement and transplantation.

(3) The Network contractor may collect a fee for listing each potential transplant recipient. This fee (known as the ''patient registration fee'') is to cover the cost of the Network's operation.

The fee amount will be determined by the Network, the Secretary is given 60 days after submission of a written request to increase ''the fee,'' to disapprove the proposed request.

Patient registration fee increases must be ''reasonable and customary'' and shall not occur more frequently than once per year.

Patient registration fees and or contract funds will be subject to an annual audit (OMB circular no. A–133). An audit report will be submitted to the Network, the contractor, and the Secretary.

III. The Scientific Registry:

(1) The Secretary shall provide by Contract for the operation of a Scientific Registry.

(2) The Secretary may institute and collect a ''data management fee'' from transplant centers and OPOs. These fees shall be directed to cover the costs of the Scientific Registry.

The ''data management fee'' shall be set annually by the Network and approved by the Secretary.

The data management fee will be calculated on a per-transplant basis. The fee will be divided in a 80/20 split between the responsible transplant center and OPO.

Expenditure of the ''data management fee'' will be subject to an annual audit. The audit report will be submitted to the Network, the Scientific Registry contractor, and the Secretary.

IV. Transplant Network Governance:

(1) Composition of the Network's Board of Directors and Committees shall include ''a reasonable number'' of individuals from the transplant community. This act confirms the importance and need for representation of transplant recipients (or candidates) and their family members.

(2) The Health Resources and Services Administration shall be represented on the Network's Board of Directors and all Committees. The government representative will be excluded from meetings in which the internal business of the Network contractor is discussed.

(3) The Network shall submit to the Secretary a biennial report which contains center specified data including survival, waiting list time, and qualifications of transplant physicians and surgeons.

(4) The Secretary's failure to issue within one year of enactment, a ''final rule'' establishing Network regulations, will initiate the following process:

The proposed rule making issued on September 8, 1994, (the ''proposed final rule'') shall be deemed the final rule.

The Secretary will enforce the ''proposed final rule'' until the final rule is issued.

Instances of conflict between the ''proposed final rule'' and existing or new Network policies shall be resolved through the policy development as described in 121.3(a)(6) of the ''Notice of Proposed Rule Making''.

V. Administration:

(1) The Secretary shall withhold annually, $250,000 or 10 percent of the collected ''data management fee'' (whichever amount is larger), to be used to fund contracts to increase organ donation.

No contract in excess of $25,000 may be made, using the above funds, unless an application is submitted to the Secretary, recommended by the Network, and approved by the Secretary.

(2) The Secretary through contract shall prepare a triennial OPO specific data report that includes an assessment of the effectiveness of OPOs in acquiring available organs.

The first OPO specific report should be completed within 18 months of enactment.

VI. Study:

(1) The Secretary will request the Institute of Medicine (IOM) to conduct a study and evaluation of:

The role of and the impact of the federal government in the oversight and support of solid organ transplantation, the Network (which presently carries out its functions by government contract) and the solid organ transplantation scientific registry.

The access of all interested constituencies to membership on the Network's Board of Directors and all its committees.

Recommendations from the second portion of the IOM study are to be implemented within one year of study completion.

VII. Authorization of Appropriation:

(1) A five year authorization is requested.

The authorization requests $1.95 million in 1997, $1.1 million for 1998 and $250,000 per year for 1999–2001.

TITLE II—''BONE MARROW TRANSPLANTATION PROGRAM REAUTHORIZATION OF 1995''

I. Donor Registry:

(1) The primary purpose of the ''Donor Registry'' is to increase the number of unrelated marrow donor transplants.

(2) The Board of Directors has been further clarified. A term of office is two years, with a limit of three terms of service.

(3) Composition of the Board of Directors and the Program's Committees will be composed of a ''reasonable balance'' of constituents including transplant recipients and their families.

The Program's Board of Directors and Committees shall include non-voting representation from the Health Resources and Services Administration and the Naval Medical Research and Development Command.

(4) A priority to increase the number of minority transplants and potential donors is mandated.

(5) Informational materials to educate and update potential donors shall be compiled and distributed.

''Donor Registry'' should be updated annually to account for changes in donor status.

(6) The Bone Marrow Program, in consultation with the Secretary, using the recommendations of the ongoing Inspector General study, ''Bone Marrow Program Inspection,'' shall develop and implement within one year of study completion, a plan to make more efficient the relationship between the donor registry and the donor centers.

(7) The Secretary may enter into contracts with public or nonprofit private entities for the purpose of increasing unrelated-donor marrow transplants.

Programs to provide information to educate the health community on the availability of unrelated marrow transplants.

Public information on the need for marrow donations.

Train individuals in requesting marrow donations.

Recruit, test, and enroll marrow donors with the primary priority being minority populations.

II. Patient Advocacy and Case Management:

(1) The office of patient advocacy and case management shall be established and maintained by the ''Donor Registry.''

The patient advocacy and case management office shall serve as an advocate for patients searching for a donor, physicians, and potential marrow donors.

Comparative costs incurred by patients prior to marrow transplantation shall be provided to constituents.

(2) The Secretary shall evaluate the patient advocacy and case management functions and make recommendations concerning the success or failure of these efforts.

A report shall be prepared no later than April 1, 1996, on the effectiveness of the Office of Patient Advocacy and Case Management.

III. Studies and Evaluations:

(1) The Secretary shall request the Institute of Medicine to conduct a study that evaluates:

What is the role of a government-supported ''National Bone Marrow Transplant Program'' in facilitating the maximum number of unrelated marrow donors transplants.

Other possible clinical and scientific uses for the Donor Registry's potential donor pool and or the unrelated marrow donor scientific registry.

This report is to be completed within two years of enactment.

(2) The Secretary shall evaluate the feasibility of consolidating:

All federally funded scientific bone marrow transplantation registries (regardless of the type of marrow reconstitution).

All federally funded bone marrow transplant research under the administration and direction of the National Institutes of Health.

IV. Unrelated Marrow Transplant Scientific Registry:

(1) The unrelated marrow transplant scientific registry is to be established and maintained on all recipients of biologically unrelated bone marrow transplants regardless of the method of marrow reconstitution.

The Donor Registry shall submit an annual report to the Secretary on the state of unrelated donor marrow transplantation, using information from the scientific registry.

V. Authorization of Appropriations:

(1) A three-year authorization is requested.

The authorization requests $13,500,000 for fiscal year 1997, $12,150,000 for fiscal year 1998, and such sums as necessary for fiscal year 1999.

By Mr. MCCAIN (for himself and Mr. KYL):

S. 1325. A bill to amend title XI of the Social Security Act to provide an incentive for the reporting of inaccurate Medicare claims for payment, and for other purposes; to the Committee on Finance.

THE MEDICARE WHISTLEBLOWER ACT

● Mr. MCCAIN. Mr. President, I am introducing legislation today with Senator KYL that will significantly reduce fraud and abuse by providers in the Medical Program. The Medicare Whistleblower Act of 1995 will efficiently and effectively create an army of private inspectors general intent upon wiping out Medicare provider fraud.

At Medicare town meetings throughout Arizona, we have heard over and over from senior citizens that the Medicare Program is rampant with negligent and fraudulent billings. They have told me, based on their personal experiences, that their Medicare bills frequently include services that they have not received, double billings for the same service, or charges that are disproportionate to the value of services received. Often, they have no idea what Medicare is being billed for on their behalf, and they are not able to obtain explanations from providers.

These perceptions of Medicare beneficiaries are confirmed by more systematic analyses. The General Accounting Office has estimated that fraud and abuse in our Nation's health care system costs taxpayers as much as $100 billion each year. Medicare fraud alone costs about $17 billion per year, which is 10 percent of the program's costs. A report by the Republican staff of the Senate Committee on Aging has documented a broad array of fraudulent activities, including false claims for services that were supposed to have been rendered after the beneficiaries had died.

The Medicare Program has many problems. A fundamental problem, and the source of many other problems, is that too few people are adequately concerned about its costs because the Government is paying most of the bills. One constituent informed me of a situation in which his provider double-billed for the same service and told him not to worry about it because ''Medicare is paying.'' This is an outrage and must be stopped. When Medicare overpays, we all overpay, and costs to beneficiaries and other taxpayers spiral.

The Medicare Whistleblower Act addresses this fundamental problem of the Medicare Program. It gives beneficiaries an added incentive to carefully scrutinize their bills and to actively pursue corrections when they believe that there has been inappropriate billing of Medicare. In particular, beneficiaries would be financially rewarded if they uncover negligence or fraud to the benefit of us all. Although such provider fraud is not the entire problem, and there is other legislation that I support which also addresses beneficiary fraud, studies clearly indicate that provider fraud is most prevalent and the greatest concern.

Under this bill, beneficiaries would have a right to receive in writing from their providers, within 30 days of when their request is received, an itemized bill for Medicare services provided to them. The beneficiary would then have 90 days to raise specific allegations of inappropriate billings to Medicare. The Medicare intermediaries and carriers would then have to make one of the following determinations: That the bill was: First, accurate; second, innocently inaccurate, for example, misinterpretation; third, negligent; or fourth, fraudulent. All overpayments resulting from inaccurate bills will be reimbursed to the Medicare Program.

If the Secretary of HHS confirms that the billing was either negligent or fraudulent, the beneficiary would receive a reward of 1 percent of the overpayment up to $10,000. Because these rewards would be paid directly out of the overpayments, they would not increase costs to the Federal Government. In the case of fraud, the rewards would be paid directly by the fraudulent provider as a penalty, and would therefore not even reduce the amount of the overpayment reimbursed to the Federal Government. The Secretary would be required to establish appropriate procedures to ensure that the incentive system is not abused.

Some will argue that many seniors and other beneficiaries do not need personal rewards for fighting fraud, and in any event, this is a matter of national duty. While I agree with this contention, I also recognize that these individuals would not be able to identify and report fraud without having access to the itemized bills that this legislation provides. Moreover, I see nothing wrong with giving beneficiaries an added financial incentive. After all, we pay Federal employees for ideas that save the taxpayers money, and we pay private citizens for identifying fraud by defense contractors.

Mr. President, we must put an end to rampant Medicare fraud and abuse. This bill would contribute significantly to this goal. I believe that there is no more effective approach to detecting and fighting fraud than giving individuals a personal financial interest in doing so. Just wait and see what will happen when we empower over 36 million Medicare beneficiaries to ensure that their program is no longer looted and abused. I request unanimous consent that this bill and letters of support from the Committee to Preserve Social Security and Medicare and the Seniors Coalition be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1325

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Medicare Whistleblower Act of 1995''.

SEC. 2. PURPOSE.

The purpose of this Act is to—

(1) reduce and eliminate fraud and abuse under the medicare program;

(2) reduce negligent and fraudulent medicare billings by providers;

(3) provide medicare beneficiaries with incentives to report inappropriate billing practices; and

(4) provide savings to the medicare trust funds by increasing the recovery of medicare overpayments.

SEC. 3. REQUEST FOR ITEMIZED BILL FOR MEDICARE ITEMS AND SERVICES.

(a) IN GENERAL.—Section 1128A of the Social Security Act (42 U.S.C. 1320a–7a) is amended by adding at the end the following new subsection:

''(m) WRITTEN REQUEST FOR ITEMIZED BILL.—

''(1) IN GENERAL.—A beneficiary may submit a written request for an itemized bill for medical or other items or services provided to such beneficiary by any person (including an organization, agency, or other entity) that receives payment under title XVIII for providing such items or services to such beneficiary.

''(2) 30-DAY PERIOD TO RECEIVE BILL.—

''(A) IN GENERAL.—Not later than 30 days after the date on which a request under paragraph (1) has been received, a person described in such paragraph shall furnish an itemized bill describing each medical or other item or service provided to the beneficiary requesting the itemized bill.

''(B) PENALTY.—Whoever knowingly fails to furnish an itemized bill in accordance with subparagraph (A) shall be subject to a civil fine of not more than $100 for each such failure.

''(3) REVIEW OF ITEMIZED BILL.—

''(A) IN GENERAL.—Not later than 90 days after the receipt of an itemized bill furnished under paragraph (1), a beneficiary may submit a written request for a review of the itemized bill to the appropriate fiscal intermediary or carrier with a contract under section 1816 or 1842.

''(B) SPECIFIC ALLEGATIONS.—A request for a review of the itemized bill shall identify—

''(i) specific medical or other items or services that the beneficiary believes were not provided as claimed, or

''(ii) any other billing irregularity (including duplicate billing).

''(4) FINDINGS OF FISCAL INTERMEDIARY OR CARRIER.—Each fiscal intermediary or carrier with a contract under section 1816 or 1842 shall, with respect to each claim submitted to the fiscal intermediary or carrier under paragraph (3), make one of the following determinations:

''(A) The itemized bill accurately reflects medical or other items or services provided to the beneficiary.

''(B) The itemized bill does not accurately reflect medical or other items or services provided to the beneficiary or contains a billing irregularity but the inaccuracy or irregularity is inadvertent or is the result of a misinterpretation of law.

''(C) The itemized bill negligently describes medical or other items or services not provided to the beneficiary or contains a negligent billing irregularity.

''(D) The itemized bill fraudulently describes medical or other items or services not provided to the beneficiary or contains a fraudulent billing irregularity.

''(5) REVIEW OF FINDINGS OF FISCAL INTERMEDIARY OR CARRIER.—

''(A) IN GENERAL.—If a fiscal intermediary or carrier makes a finding described in subparagraph (B), (C), or (D) of paragraph (4), the fiscal intermediary or carrier shall submit to the Secretary a report containing such findings and the basis for such findings.

''(B) DETERMINATION BY SECRETARY.—The Secretary shall determine whether the findings of the fiscal intermediary or carrier submitted under subparagraph (A) are correct.

''(6) RECOVERY OF AMOUNTS.—The Secretary shall require fiscal intermediaries and carriers to take all appropriate measures to recover amounts inappropriately paid under title XVIII with respect to a bill for which the Secretary makes a determination of correctness under paragraph (5)(B).

''(7) ANTIFRAUD INCENTIVE PAYMENTS.—

''(A) IN GENERAL.—If the Secretary makes a determination of correctness under paragraph (5)(B) with respect to a finding described in subparagraph (C) or (D) of paragraph (4), the Secretary shall make an antifraud incentive payment (in an amount determined under subparagraph (B)) to the beneficiary who submitted the request for the itemized bill under paragraph (1) that resulted in such findings.

''(B) ANTIFRAUD INCENTIVE PAYMENT DETERMINED.—

''(i) IN GENERAL.—The amount of the antifraud incentive payment determined under this subparagraph is equal to the lesser of—

''(I) 1 percent of the amount that the bill negligently or fraudulently charged for medical or other items or services; or

''(II) $10,000.

''(ii) LIMITATION OF AMOUNT.—The amount determined under this subparagraph may not exceed—

''(I) in the case of a negligent bill, the total amounts recovered with respect to the bill in accordance with paragraph (6); or

''(II) in the case of a fraudulent bill, the sum of the amounts assessed and collected with respect to the bill under paragraph (8).

''(8) PENALTY.—If the Secretary makes a determination of correctness with respect to a finding described in paragraph (4)(D) (relating to fraudulent billing), the provider or other person responsible for providing the beneficiary with the itemized bill that is the subject of such findings, shall be subject, in addition to any other penalties that may be prescribed by law, to a civil money penalty equal to the lesser of—

''(A) 1 percent of the amount that the bill fraudulently charged for medical or other items or services; or

''(B) $10,000.

''(9) PREVENTION OF ABUSE BY BENEFICIARIES.—The Secretary shall—

''(A) address abuses of the incentive system established under this subsection; and

''(B) establish appropriate procedures to prevent such abuses.

''(10) REQUIREMENT THAT BENEFICIARY DISCOVER NEGLIGENT OR FRAUDULENT BILL TO RECEIVE INCENTIVE PAYMENT.—No incentive payment shall be made under paragraph (7) to a beneficiary if the Secretary or the appropriate fiscal intermediary or carrier identified the bill that was the subject of the beneficiary's request for review under this subsection as being negligent or fraudulent prior to such request.''.

(b) PAYMENT OF ANTIFRAUD INCENTIVE TO MEDICARE BENEFICIARY.—Section 1128A(f) of the Social Security Act (42 U.S.C. 1320a–7a(f)) is amended—

(1) in paragraph (3), by striking ''(3)'' and inserting ''(4)''; and

(2) by inserting after paragraph (2) the following:

''(3) Any penalty recovered under subsection (m)(8) shall be paid as an antifraud incentive payment to the beneficiary who submitted the request for the itemized bill under subsection (m)(1) that resulted in the imposition of the penalty.''.

(c) CONFORMING AMENDMENT.—Subsections (c) and (d) of section 1128A of the Social Security Act (42 U.S.C. 1320a–7a) are each amended by striking ''(a) or (b)'' each place it appears and inserting ''(a), (b), or (m)''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to medical or other items or services provided on or after January 1, 1996.

NATIONAL COMMITTEE TO PRESERVE SOCIAL SECURITY AND MEDICARE,
Washington, DC, October 16, 1995.

Hon. JOHN MCCAIN,
U.S. Senate, Washington, DC.

DEAR SENATOR MCCAIN: On behalf of the nearly six million members and supporters of the National Committee to Preserve Social Security and Medicare, I offer our endorsement of the Medicare Whistleblower Act of 1995, legislation to strengthen procedures for identifying fraud and waste in the Medicare system.

A major effort to prevent fraud and abuse is essential and appropriate—particularly at a time when Congress is considering ways to reduce federal health care costs. It is essential that we enlist the cooperation of the public, beneficiaries, providers and carriers to curb fraud and waste in the Medicare program and ensure that Medicare funds go toward patient care. As you know, major and increasingly complex patterns of fraud and abuse have infiltrated many health sectors including ambulance and taxi services, clinical laboratories, home health and durable medical equipment providers.

Your legislation will strengthen the role of beneficiaries in detecting and reporting fraud and waste. Of particular importance are the provisions mandating that beneficiaries be provided, upon request, copies of itemized bills submitted on their behalf. Beneficiaries must have accurate information about bills submitted on their behalf in order to meaningfully participate in this program. It is also important for the Secretary to establish standards to prevent abuse or over-use of the reporting system.

Seniors thank you for your help in combating this growing problem.

Sincerely,

MARTHA A MCSTEEN,
President.

THE SENIORS COALITION,
October 12, 1995.

Hon. JOHN MCCAIN,
U.S. Senate, Washington, DC.

DEAR SENATOR MCCAIN: On behalf of the two million members and supporters of The Seniors Coalition, I salute your efforts to reduce the fraud and abuse which have plagued the Medicare system. We also believe that seniors themselves are excellent ''Inspectors General,'' and, when empowered to do so will be a most effective whistleblower force.

The Seniors Coalition stands ready to work with you and every other member of Congress in taking action to put an end to rampant Medicare fraud and abuse.

Sincerely,

JAKE HANSEN,
Vice President for Government Affairs.●

By Mrs. FEINSTEIN:

S. 1326. A bill respecting the relationship between workers' compensation benefits and the benefits available under the Migrant and Seasonal Agricultural Worker Protection Act; to the Committee on Labor and Human Resources.

THE MIGRANT AND SEASONAL AGRICULTURAL WORKER PROTECTION ACT AMENDMENT ACT OF 1995

● Mrs. FEINSTEIN. Mr. President, I introduce legislation that would overturn a 1990 U.S. Supreme Court decision in Adams Fruit Co. versus Barrett and restore workers' compensation as the exclusive remedy for loss under the Migrant and Seasonal Agricultural Worker Protection Act where a State workers' compensation law is applicable and coverage is provided.

This legislation embodies an agreement worked out by the National Council of Agricultural Employers and the Farmworkers Justice Fund and other farm worker advocacy groups. In the House this compromise will be offered as a substitute amendment to H.R. 1715, sponsored by Congressmen GOODLING, FAZIO and others.

By way of background, in 1985, 19 migrant farmworkers employed by the Adams Fruit Co. suffered injuries in an accident while they traveled to work in an Adams Fruit van. The company was found liable and the injured farmworkers were awarded damages to the fullest extent under Florida's workers' compensation system. In addition, 10 of the workers filed suit against Adams Fruit for motor safety violations under the Migrant and Seasonal Agricultural Worker Protection Act.

In the Adams Fruit decision, the U.S. Supreme Court held that the injured farmworkers could bring an action for damages under the Migrant and Seasonal Agricultural Worker Protection Act even though they were covered under State workers' compensation for the same injuries. In so ruling, the court disregarded one of the basic concepts of workers' compensation, the assurance of a prompt remedy in exchange for limited liability on the part of the employer. As a result, agricultural employers who pay the cost of workers' compensation for farmworkers are not receiving the protection from lawsuits that all other employers providing workers' compensation receive.

The legislation I am introducing today would reverse the effects of the Adams Fruit decision and restore the exclusivity of workers' compensation. Specifically, the bill:

Amends the Migrant and Seasonal Agricultural Worker Protection Act to provide that where workers' compensation coverage is provided under a State workers' compensation law for a migrant or seasonal agricultural worker, workers' compensation will be the farmworker's exclusive remedy and the employer's sole liability under the act for bodily injury or death;

Provides for increased statutory damages under the Migrant and Seasonal Agricultural Worker Protection Act in cases where actual damages are precluded because the worker's injury is covered under a State workers' compensation law and the court finds the defendant's actions meet certain criteria set forth in the legislation, such as the defendant knowingly permitting a driver to drive farmworkers while under the influence of alcohol;

Provides for tolling of the statute of limitations on actions brought under the Migrant and Seasonal Agricultural Worker Protection Act during the period of time a claim under a State workers' compensation law is pending;

Requires disclosure of information regarding workers' compensation coverage to migrant farmworkers and upon request to seasonal farmworkers,

helping ensure that farmworkers have adequate information to file timely claims for workers' compensation; and

Allows the Secretary of Labor to determine the appropriate level of liability insurance required by employers engaged in transporting farmworkers, helping increase the ability of persons to obtain insurance.

Mr. President, the appropriate relationship between workers' compensation benefits and benefits available under the Migrant and Seasonal Agricultural Worker Protection Act has been debated at great length since the Adams Fruit decision. Many have tried to reconcile the legitimate interests of both agricultural employers and farmworkers in this issue. In the 102d Congress I sponsored legislation, and I worked very hard, meeting with representatives of agriculture from around the Nation, with representatives of farmworkers, with Congressman FAZIO, with Congressman BERMAN and others, in an effort to achieve consensus. I am pleased to say that there is now agreement. I hope the Senate will be able to move quickly to approve this agreement and pass this legislation.●

By Mr. MCCAIN (for himself and Mr. KYL):

S. 1327. A bill to provide for the transfer of certain lands to the Salt River Pima-Maricopa Indian Community and the city of Scottsdale, AZ, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

THE SADDLEBACK MOUNTAIN-ARIZONA SETTLEMENT ACT OF 1995

● Mr. MCCAIN. Mr. President, I am pleased to join with my colleague, Senator KYL, in introducing legislation to approve an agreement to settle a longstanding dispute over 701 acres of unique and valuable land within the city of Scottsdale, AZ, currently held by the Resolution Trust Corporation [RTC]. The agreement, which was negotiated by representatives of the Salt River Pima-Maricopa Indian Community, the city of Scottsdale, and the RTC, provides for the RTC to sell part of the property to the community and the remainder to the city.

The property is located in the eastern-most part of Scottsdale, abuts 1.7 miles of the northern boundary of the community's reservation, and is undeveloped. Its most distinctive feature is Saddleback Mountain, a striking landmark that rises abruptly from the desert floor to a height of some 900 feet. Due to its location, high conservation value and other special features, the property's use and disposition are of major importance both to the community and the city.

A dispute arose after the RTC, in its capacity as receiver for the Sun State Savings & Loan Association, acquired the Saddleback property in 1989 and subsequently noticed it for sale. The community submitted the highest cash bid for the property, conditioned upon being allowed to develop the flat portion of the property. The city, concerned about the direction that the development might follow, sued the RTC to acquire the property by eminent domain. The RTC then rejected all auction sale bids and determined to transfer the property to Scottsdale through the eminent domain litigation. The community thereupon sued the city and the RTC, seeking damages.

Rather than pursue the litigation, the city, the community, and the RTC sought to resolve their dispute through negotiation. The result of their efforts is a settlement agreement that will allow all parties to realize their respective goals for the Saddleback property. Under the agreement, the RTC will sell the property to Scottsdale and the community for a total of $6.5 million. The city will pay $636,000 to acquire approximately 125 acres, located north and south of Shea Boulevard, for preservation and future road expansion. The community will pay $5,864,000 to acquire 576 acres adjoining their reservation. The two lawsuits, which are pending in U.S. District Court in Phoenix, will be dismissed.

The agreement further provides that 365 acres of the property to be acquired by the community, including Saddleback Mountain, will be forever preserved in its natural State for use only as a public park and recreation area. Except for a limited number of sites that are of particular historical and cultural significance to the community, the public will have free access to this area. Together with the preservation property to be acquired by the city, it will be jointly managed by the city and the community. The remaining 211 acres to be acquired by the community will be subject to a detailed development agreement with the city, as well as the limitations and restrictions of current community zoning.

Mr. President, the bill that Senator KYL and I are introducing today has two primary objectives. First, it will approve and ratify the settlement agreement and ensure that its terms will be fully enforceable. Second, it provides that the property purchased by the community will be held in trust by the United States and become part of its reservation. Enactment of this legislation is a necessary step for the settlement's provisions to become effective.

Achievement of the Saddleback settlement agreement demonstrates once again the value and benefit of seeking to settle disputes through negotiation rather than litigation. The Salt River Pima-Maricopa Indian Community, its president and council, and the mayor and council of the city of Scottsdale, along with their representatives and those of the Resolution Trust Corporation who cooperated to make a settlement possible, deserve great credit for their leadership and hard work to resolve their differences amicably.

I believe the legislation to approve the Saddleback settlement agreement is noncontroversial and clearly in the public interest, and I note with satisfaction that no expenditure of funds from the U.S. Treasury will be necessary for its implementation. Accordingly, I am hopeful that the Congress will consider and approve this legislation in an expeditious manner.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1327

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Saddleback Mountain-Arizona Settlement Act of 1995''.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) in its capacity as a receiver for the Sun State Savings and Loan Association, F.S.A., the Resolution Trust Corporation holds a tract of land consisting of approximately 701 acres within the city of Scottsdale, Arizona (referred to in this Act as the ''Saddleback Property'');

(2) the Saddleback Property abuts the north boundary of the Salt River Pima-Maricopa Indian Reservation;

(3) because the Saddleback Property includes Saddleback Mountain and scenic hilly terrain along the Shea Boulevard Corridor in Scottsdale, Arizona, a major portion of the Saddleback Property has significant conservation value;

(4) pursuant to section 10(b) of the Coastal Barrier Improvement Act of 1990 (12 U.S.C. 1441a–3(b)), the Resolution Trust Corporation identified the conservation value of the Saddleback Property and provided a description of the Saddleback Property in a notice of the availability of the property for sale;

(5) the use and disposition of the Saddleback Property are critical to the interests of both the City and the Salt River Pima-Maricopa Indian Community;

(6) during the course of dealings among the Community, the City, and the Resolution Trust Corporation, disputes arose regarding the ownership, conservation, use, and ultimate development of the Saddleback Property;

(7) the Community, the City, and the Resolution Trust Corporation resolved their differences concerning the Saddleback Property by entering into an agreement that provides for the sale, at an aggregate price equal to the highest cash bid that has been tendered to the Resolution Trust Corporation, of—

(A) a portion of the Saddleback Property to the City; and

(B) the remaining portion of the Saddleback Property to the Community; and

(8) the Settlement Agreement provides—

(A) for a suitable level of conservation for the areas referred to in paragraph (3); and

(B) that the portion of the Saddleback Property referred to in paragraph (7)(B) will become part of the Reservation.

(b) PURPOSES.—The purposes of this Act are—

(1) to approve and confirm the Settlement, Release, and Property Conveyance Agreement executed by the City, the Community, and the Resolution Trust Corporation; and

(2) to ensure that the Settlement Agreement (including the Development Agreement, the Use Agreement, and all other associated ancillary agreements and exhibits)—

(A) is carried out; and

(B) is fully enforceable in accordance with its terms, including judicial remedies and binding arbitration provisions.

SEC. 3. DEFINITIONS.

For the purposes of this Act, the following definitions shall apply:

(1) CITY.—The term ''City'' means the city of Scottsdale, Arizona, which is a municipal corporation in the State of Arizona.

(2) COMMUNITY.—The term ''Community'' means the Salt River Pima-Maricopa Indian Community, which is a federally recognized Indian tribe.

(3) DEDICATION PROPERTY.—The term ''Dedication Property'' means a portion of the Saddleback Property, consisting of approximately 27 acres of such property, that the City will acquire in accordance with the Settlement Agreement.

(4) DEVELOPMENT AGREEMENT.—The term ''Development Agreement'' means the agreement between the City and the Community, executed on September 11, 1995, that sets forth conditions and restrictions that—

(A) are supplemental to the Settlement, Release and Property Conveyance Agreement referred to in paragraph (11)(A); and

(B) apply to the future use and development of the Development Property.

(5) DEVELOPMENT PROPERTY.—The term ''Development Property'' means a portion of the Saddleback Property, consisting of approximately 211 acres, that the Community will acquire in accordance with the Settlement Agreement.

(6) MOUNTAIN PROPERTY.—The term ''Mountain Property'' means a portion of the Saddleback Property, consisting of approximately 365 acres, that the Community will acquire in accordance with the Settlement Agreement.

(7) PRESERVATION PROPERTY.—The term ''Preservation Property'' means a portion of the Saddleback Property, consisting of approximately 98 acres, that the City will acquire in accordance with the Settlement Agreement.

(8) RESERVATION.—The term ''Reservation'' means the Salt River Pima-Maricopa Indian Reservation.

(9) SADDLEBACK PROPERTY.—The term ''Saddleback Property'' means a tract of land that—

(A) consists of approximately 701 acres within the city of Scottsdale, Arizona; and

(B) includes the Dedication Property, the Development Property, the Mountain Property, and the Preservation Property.

(10) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior.

(11) SETTLEMENT AGREEMENT.—The term ''Settlement Agreement''—

(A) means the Settlement, Release and Property Conveyance Agreement executed on September 11, 1995, by the Community, the City, and the Resolution Trust Corporation (in its capacity as the Receiver for the Sun State Savings and Loan Association, F.S.A.); and

(B) includes the Development Agreement, the Use Agreement, and all other associated ancillary agreements and exhibits.

(12) USE AGREEMENT.—The term ''Use Agreement'' means the agreement between the City and the Community, executed on September 11, 1995, that sets forth conditions and restrictions that—

(A) are supplemental to the Settlement, Release and Property Conveyance Agreement referred to in paragraph (11)(A); and

(B) apply to the future use and development of the Mountain Property.

SEC. 4. APPROVAL OF AGREEMENT.

The Settlement Agreement is hereby approved and ratified and shall be fully enforceable in accordance with its terms and the provisions of this Act.

SEC. 5. TRANSFER OF PROPERTIES.

(a) IN GENERAL.—Upon satisfaction of all conditions to closing set forth in the Settlement Agreement, the Resolution Trust Corporation shall transfer, pursuant to the terms of the Settlement Agreement—

(1) to the Secretary, the Mountain Property and the Development Property purchased by the Community from the Resolution Trust Corporation; and

(2) to the City, the Preservation Property and the Dedication Property purchased by the City from the Resolution Trust Corporation.

(b) TRUST STATUS.—The Mountain Property and the Development Property transferred pursuant to subsection (a)(1) shall, subject to sections 6 and 7—

(1) be held in trust by the United States for the Community; and

(2) become part of the Reservation.

(c) RECORDS.—Upon the satisfaction of all of the conditions of closing set forth in the Settlement Agreement, the Secretary shall file a plat of survey depicting the Saddleback Property (that includes a depiction of the Dedication Property, the Development Property, the Mountain Property, and the Preservation Property) with—

(1) the office of the Recorder of Maricopa County, Arizona; and

(2) the Titles and Records Center of the Bureau of Indian Affairs, located in Albuquerque, New Mexico.

SEC. 6. LIMITATIONS ON USE AND DEVELOPMENT.

Upon the satisfaction of all of the conditions of closing set forth in the Settlement Agreement, the properties transferred pursuant to paragraphs (1) and (2) of section 5(a) shall be subject to the following limitations and conditions on use and development:

(1) PRESERVATION PROPERTY.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the Preservation Property shall be forever preserved in its natural state for use only as a public park or recreation area that shall—

(i) be utilized and maintained for the purposes set forth in section 4(C) of the Settlement Agreement; and

(ii) be subject to the restrictions set forth in section 4(C) of the Settlement Agreement.

(B) SHEA BOULEVARD.—At the sole discretion of the City, a portion of the Preservation Property may be used to widen, reconfigure, repair, or reengineer Shea Boulevard in accordance with section 4(D) of the Settlement Agreement.

(2) DEDICATION PROPERTY.—The Dedication Property shall be used to widen, reconfigure, repair, or reengineer Shea Boulevard and 136th Street, in accordance with sections 4(D) and 7 of the Settlement Agreement.

(3) MOUNTAIN PROPERTY.—Except for the areas in the Mountain Property referred to as Special Cultural Land in section 5(C) of the Settlement Agreement, the Mountain Property shall be forever preserved in its natural state for use only as a public park or recreation area that shall—

(A) be utilized and maintained for the purposes set forth in section 5(C) of the Settlement Agreement; and

(B) be subject to the restrictions set forth in section 5(C) of the Settlement Agreement.

(4) DEVELOPMENT PROPERTY.—The Development Property shall be used and developed for the economic benefit of the Community in accordance with the provisions of the Settlement Agreement and the Development Agreement.

SEC. 7. AMENDMENTS TO THE SETTLEMENT AGREEMENT.

No amendment made to the Settlement Agreement (including any deviation from an approved plan described in section 9(B) of the Settlement Agreement) shall become effective, unless the amendment—

(1) is made in accordance with the applicable requirements relating to the form and approval of the amendment under sections 9(B) and 34 of the Settlement Agreement; and

(2) is consistent with the provisions of this Act.●

By Mr. DOLE (for Mr. HATCH (for himself, Mr. BIDEN, Mr. GRASSLEY, Mr. HEFLIN, Mr. SPECTER, Mr. SIMON, Mr. DEWINE, Mrs. FEINSTEIN, and Mr. ABRAHAM)):

S. 1328. A bill to amend the commencement dates of certain temporary Federal judgeships; read the first time.

THE JUDICIAL IMPROVEMENT ACT AMENDMENT ACT OF 1995

● Mr. HATCH. Mr. President, I introduce a bill to amend the commencement dates of certain temporary judgeships that were created under section 203(c) of the Judicial Improvements Act of 1990, Public Law 101–650, 104 Stat. 5101. The minor adjustment embodied in this bill should improve the efficiency of the courts involved, and is not expected to be controversial. I am pleased to have Senators BIDEN, GRASSLEY, HEFLIN, SPECTER, SIMON, DEWINE, FEINSTEIN, and ABRAHAM as original cosponsors.

The Judicial Improvements Act of 1990 created the temporary judgeships by providing that a new district judge would be appointed to each of 13 specified districts, and by providing that the first vacancy in the office of a district judge in those districts occurring after December 1, 1995 would not be filled.

The districts are as follows: the northern district of Alabama, the eastern district of California, the district of Hawaii, the central district of Illinois, the southern district of Illinois, the district of Kansas, the western district of Michigan, the eastern district of Missouri, the district of Nebraska, the northern district of New York, the northern district of Ohio, the eastern district of Pennsylvania, and the eastern district of Virginia.

In a given district, the new judgeship is temporary but the individual judge appointed serves on a permanent basis in the same manner as any other article III judge. The overlap in judgeships—between the appointment of a judge to a temporary judgeship and the point at which a vacant permanent judgeship is left unfilled—is what effectively adds another judge to the district for a temporary period of time.

Due to delays in nomination and confirmation, however, many districts have had only a relatively brief period of time in which to take advantage of their temporary judgeship. In the district of Hawaii and the southern district of Illinois, for example, new judges were not confirmed until October 1994. Other districts have faced similar delays. Those delays mean that many of the temporary judgeships will be unable to fulfill congressional intent to alleviate the backlog of cases in those districts. Many of the districts

faced a particularly heavy load of drug enforcement matters.

This bill changes the second part of the temporary judgeship calculus by providing that the first district judge vacancy occurring 5 years or more after the confirmation date of the judge appointed to fill the temporary judgeship would not be filled. In that way, each district would benefit from an extra active judge for at least 5 years, regardless of how long the appointment process takes. This will help alleviate the extra burden faced in those districts. The only district excluded from this treatment is the western district of Michigan. That district requested to be excluded because its needs will be met under the current scheme.

The Administrative Office of the United States Courts has requested that the Senate pass this bill before December 1, 1995. After that date, some vacant judgeships will be unable to be filled under current law. As Chairman of the Judiciary Committee, I will do my part to expedite this bill's passage.●

By Mr. DOLE:

S. 1329. A bill to amend title 38, United States Code, to provide for educational assistance to veterans, and for other purposes; to the Committee on Armed Services.

THE SERVICE PERSONS READJUSTMENT ACT OF 1995

Mr. DOLE. Mr. President, today I am proud to introduce the Service Persons Readjustment Act of 1995. This legislation will provide our brave service men and women with education benefits comparable to the benefits previously earned by generations of veterans. This measure is long overdue.

Fifty years ago, Congress and the American Legion worked diligently to pass the Servicemen's Readjustment Act of 1944, Better known as the GI bill of rights. That measure has been recognized as one of the greatest pieces of legislation ever enacted. As a result of educating its veterans, the United States experienced the greatest economic boom in our Nation's history. The Nation transformed from an industrial giant to a technological world leader. For the majority of veterans, including minorities and women, the dream of receiving a college education became a reality.

When the original GI bill was introduced in Congress, many Members feared that the cost of this program would bankrupt the country. Colleges and universities nationwide argued that such a program would lower educational standards. President Roosevelt initially opposed the idea because of the projected cost. Now, as history demonstrates, the dollars invested in veterans' education have returned to the Government 10 times. I ask my colleagues to demonstrate the same courage and resolve as the Members of Congress did in 1944, by making a financial investment in our Nation's future.

Unfortunately, the GI bill which once covered 100 percent of a veteran's education presently offsets educational costs by only 37 percent. Today, America's veterans are willing to work and invest more money than ever before for their educational benefits. Congress should provide them with that opportunity. The current Montgomery GI bill does not provide the flexibility to meet veterans needs. If a veteran wishes to attend a 1 year vocational school or a 4 year university, the program remains the same. The veteran who chooses a 1 year school will receive a disproportionately smaller benefit package.

Under my proposed legislation, benefits can be shaped to meet the educational or training goals of veterans by allowing them to choose the length of their benefit package.

An improved GI bill will create economic equality among many Americans. Because individuals from the lower and middle classes comprise the majority of the military, the bill will allow the less fortunate to earn their educations rather than depending on social handouts. With the percentage of women and minorities in the military growing steadily, improved benefits will also help level the playing field.

Presently, the GI bill is both a recruiting incentive and an educational opportunity. Current program values are simply inadequate to meet a veterans educational needs. Plenty of veterans sign up for the program. Few actually ever receive benefits. Sadly, once ready to start school, veterans quickly realize that their benefits pale in comparison to their financial obligations. America's veterans, thoroughly understand responsibility and sacrifice. However, veterans should not be forced to bear these burdens when other Government educational programs provide greater benefits to nonveterans with considerably less commitment.

The American Legion has repeatedly asked Congress to increase education benefits for our brave men and women who have served honorably. The legislation I am introducing will allow service members to invest more money. It will teach young men and women the value of working hard and saving money to reach one's goals and dreams. Educational assistance for veterans consistently proves to be a winning concept. Trained and educated individuals make more money, spend more money, and pay more taxes. Many of my colleagues are present today because of the GI bill. Their benefits were far more generous than today's educational package. I hope those Senators will support this measure. This new program, like the original GI bill, is a wise investment in America's future.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1329

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Servicepersons Readjustment Act of 1995''.

TITLE I—READJUSTMENT ASSISTANCE

SEC. 101. EDUCATIONAL ASSISTANCE.

(a) IN GENERAL.—Title 38, United States Code, is amended by inserting after chapter 32 the following new chapter:

''CHAPTER 33—SERVICEPERSONS EDUCATIONAL ASSISTANCE PROGRAM

''SUBCHAPTER I—PURPOSES

''Sec.
''3301. Purposes.

''SUBCHAPTER II—BASIC EDUCATIONAL ASSISTANCE

''3311. Basic educational assistance entitlement: service on active duty.
''3312. Basic educational assistance entitlement: service as a Reserve.
''3313. Duration of basic educational assistance.
''3314. Payment of basic educational assistance.
''3315. Amount of basic educational assistance.

''SUBCHAPTER III—TIME LIMITATION FOR USE OF ELIGIBILITY AND ENTITLEMENT; GENERAL AND ADMINISTRATIVE PROVISIONS

''3321. Time limitation for use of eligibility and entitlement.
''3322. Bar to duplication of educational assistance benefits.
''3323. Program administration.

''SUBCHAPTER I—PURPOSES

''§ 3301. Purposes

''The purposes of this chapter are—

''(1) to provide a new educational assistance program to assist in the readjustment of members of the Armed Forces to civilian life after their separation from military service; and

''(2) to provide supplemental assistance to such members to facilitate that assistance.

''SUBCHAPTER II—BASIC EDUCATIONAL ASSISTANCE

''§ 3311. Basic educational assistance entitlement: service on active duty

''(a) Except as provided in subsection (c), each individual—

''(1) who first becomes a member of the Armed Forces or first enters on active duty as a member of the Armed Forces after April 1, 1996, and—

''(A) who serves as the individual's initial obligated period of active duty at least 2 years of continuous active duty in the Armed Forces; or

''(B) who serves in the Armed Forces and is discharged or released from active duty—

''(i) for a service-connected disability, for a medical condition which preexisted such service on active duty and which the Secretary determines is not service-connected, for hardship, or for a physical or mental condition that was not characterized as a disability and did not result from the individual's own willful misconduct but did interfere with the individual's performance of duty (as determined by the Secretary of the military department concerned in accordance with regulations prescribed under section 3011(a)(1)(A)(ii)(I) of this title);

''(ii) for the convenience of the Government in the case of an individual who completed not less than 20 months of continuous active duty, if the initial obligated period of active duty of the individual was less than 2 years, or in the case of an individual who

completed not less than 30 months of continuous active duty if the initial obligated period of active duty of the individual was at least 2 years; or

''(iii) involuntarily for the convenience of the Government as a result of a reduction in force (as determined by the Secretary of the military department concerned in accordance with regulations prescribed under section 3011(a)(1)(A)(ii)(III) of this title);

''(2) who has completed the requirements of a secondary school diploma (or equivalency certificate) not later than the original ending date of the individual's initial obligated period of active duty, regardless of whether the individual is discharged or released from active duty on such date;

''(3) who is not a graduate of a military academy or the recipient of financial assistance from the Government for participation in a Reserve Officers' Training Corps program; and

''(4) who, after the completion of the service described in paragraph (1)—

''(A) continues on active duty;

''(B) is discharged from active duty with an honorable discharge;

''(C) is released from service on active duty characterized by the Secretary concerned as honorable service and is placed on the retired list, is transferred to the Fleet Reserve or Fleet Marine Corps Reserve, or is placed on the temporary disability retired list; or

''(D) is released from active duty for further service in a reserve component of the Armed Forces after service on active duty characterized by the Secretary concerned as honorable service;

is entitled to basic educational assistance under this chapter.

''(b)(1) The basic pay of any individual described in subsection (a) who does not make an election under subsection (c) shall be reduced by $100 for each month of a period (as designated by the individual) of months in which the individual is entitled to such pay. The period shall begin upon the commencement of the person's initial period of obligated active duty as described in subsection (a)(1). The period shall be a multiple of 12 months and shall be not less than 12 months or more than 48 months.

''(2) Any amount by which the basic pay of an individual is reduced under this section shall revert to the Treasury and shall not, for purposes of any Federal law, be considered to have been received by or to be within the control of the individual.

''(c) An individual described in subsection (a) may make an election not to receive educational assistance under this chapter. Any such election shall be made at the time the individual initially enters on active duty as a member of the Armed Forces. Any individual who makes such an election is not entitled to educational assistance and supplemental assistance under this chapter.

''§ 3312. Basic educational assistance entitlement: service as a Reserve

''(a) Except as provided in subsection (b), each individual—

''(1)(A) who—

''(i) first becomes a member of a reserve component after April 1, 1996; or

''(ii) first enters on active duty as a member of the Armed Forces after that date;

''(B) beginning within 1 year after first becoming such a member or first entering on such duty, enters into an agreement to serve at least 6 years of continuous duty in a reserve component; and

''(C) serves at least 6 years of such duty during which the individual participates satisfactorily in training as determined by the Secretary concerned;

''(2) who, before completion of the duty described in paragraph (1) pursuant to the agreement in that paragraph, has completed the requirements of a secondary school diploma (or an equivalency certificate);

''(3) who is not a graduate of a military academy or the recipient of financial assistance from the Government for participation in a Reserve Officers' Training Corps program; and

''(4) who, after completion of the duty in a reserve component described in paragraph (1) pursuant to the agreement in that paragraph is discharged from service with an honorable discharge, is placed on the retired list, or continues on active duty or in a reserve component;

is entitled to basic educational assistance under this chapter.

''(b)(1) The requirement of 6 years of service under paragraph (1) of subsection (a) pursuant to an agreement referred to in such paragraph is not applicable to an individual—

''(A) who, during the active duty service described in such paragraph, was discharged or released from active duty in the Armed Forces for a service-connected disability, for a medical condition which preexisted such service on active duty and which the Secretary determines is not service connected, or for a physical or mental condition not characterized as a disability, as described in section 3011(a)(1)(A)(ii)(I) of this title, if the individual was obligated, at the beginning of such active duty service, to serve such 6 years of service;

''(B) who, during the 6 years of service, is discharged or released from service in a reserve component (i) for a service-connected disability, (ii) for a medical condition which preexisted the individual's becoming a member of the reserve component and which the Secretary determines is not service connected, (iii) for hardship, (iv) in the case of an individual discharged or released after 30 months of such service for the convenience of the Government, (v) involuntarily for the convenience of the Government as a result of a reduction in force (as determined by the Secretary of the military department concerned in accordance with regulations prescribed under section 3012(b)(1)(B)(ii)(V) of this title), or (VI) for a physical or mental condition not characterized as a disability, as described in section 3011(a)(1)(A)(ii)(I) of this title; or

''(C) who, before completing the 6 years of service described in such paragraph, ceases to be a member of any reserve component during the period beginning on October 1, 1991, and ending on September 30, 1999, by reason of the inactivation of the person's unit of assignment.

''(2) In the case of an individual described in paragraph (1) of subsection (a) who begins service in the Selected Reserve within one year after completion of the service described in such paragraph pursuant to an agreement referred to in such paragraph, the continuity of service of such individual as a member of the Selected Reserve shall not be considered to be broken—

''(A) by any period of time (not to exceed a maximum period prescribed by the Secretary concerned by regulation) during which the member is not able to locate a unit of the Selected Reserve of the member's Armed Force that the member is eligible to join or that has a vacancy; or

''(B) by any other period of time (not to exceed a maximum period prescribed by the Secretary concerned by regulation) during which the member is not attached to a unit of the Selected Reserve that the Secretary concerned, pursuant to regulations, considers to be inappropriate to consider for such purpose.

''(c) The basic pay of any individual described in subsection (a) who does not make an election under subsection (d) shall be reduced by $50 for each month of a period (as designated by the individual) of the months in which the individual is entitled to such pay. The period shall begin upon the commencement of the person's initial period of obligated duty in a reserve component as described in subsection (a)(1). The period shall be a multiple of 12 months and shall be not less than 12 months or more than 48 months.

''(2) Any amount by which the basic pay of an individual is reduced under this section shall revert to the Treasury and shall not, for purposes of any Federal law, be considered to have been received by or to be within the control of the individual.

''(d) An individual described in subsection (a) may make an election not to receive educational assistance under this chapter. Any such election shall be made at the time the individual initially enters on active duty as a member of the Armed Forces. Any individual who makes such an election is not entitled to educational assistance and supplemental assistance under this chapter.

''§ 3313. Duration of basic educational assistance

''(a) Subject to section 3695 of this title, each individual entitled to basic educational assistance under section 3311 of this title is entitled to 1 month of educational assistance benefits under this chapter for each month of continuous active duty served by the individual for which the basic pay of the individual is reduced by operation of subsection (b) of such section 3311.

''(b) Subject to section 3695 of this title, each individual entitled to basic educational assistance under section 3312 of this title is entitled to 1 month of educational assistance benefits under this chapter for each month of duty in a reserve component served by the individual for which the basic pay of the individual is reduced by operation of subsection (b) of such section 3312.

''(c) No individual may receive basic educational assistance benefits under this chapter for a period in excess of 48 months.

''§ 3314. Payment of basic educational assistance

''(a) The Secretary shall pay to each individual entitled to basic educational assistance under this chapter a basic educational assistance allowance to be used by the individual for the purposes described in subsection (b).

''(b) Subject to subsection (c), an individual shall use a basic educational assistance allowance under this chapter for the following purposes:

''(1) To pay the outstanding interest and principal on educational loans of the individual.

''(2) To meet the costs (including subsistence, tuition, fees, supplies, books, equipment, and other educational costs approved by the Secretary) of a program of institutional training, including a program of institutional training at an institution of higher learning and a program of institutional training that does not lead to a standard college degree.

''(3) To meet the costs of an approved on-the-job training program or apprentice training program.

''(4) To meet the costs of a program of correspondence courses.

''(5) To meet the costs of a cooperative training program.

''(6) To meet the costs of tutorial assistance.

''(7) To meet the costs of other educational programs, training programs, or other programs that the Secretary determines appropriate to achieve the purposes for which educational assistance is provided under this chapter.

''(c) An individual may not use a basic educational assistance allowance under this section unless such use is approved by the Secretary in accordance with such regulations as the Secretary shall prescribe. To the maximum extent practicable, the regulations shall conform to the provisions on approval of courses and programs of education set forth in chapter 36 of this title, and the regulations prescribed thereunder.

''§ 3315. Amount of basic educational assistance

''(a)(1) Subject to subsection (b), a basic assistance allowance under this chapter shall be paid as follows:

''(A) In the case of an individual entitled to the allowance under section 3311 of this title—

''(i) at the monthly rate of $800 for a program (including tutorial assistance) referred to in section 3315(b) of this title pursued on a full-time basis;

''(ii) at the monthly rate of $600 for such a program pursued on a three-quarters time basis; or

''(iii) at the monthly rate of $400 for such a program pursued on less than a three-quarters time basis.

''(B) In the case of an individual entitled to the allowance under section 3312 of this title—

''(i) at the monthly rate of $400 for a program (including tutorial assistance) referred to in section 3315(b) of this title pursued on a full-time basis;

''(ii) at the monthly rate of $300 for such a program pursued on a three-quarters time basis; or

''(iii) at the monthly rate of $200 for such a program pursued on less than a three-quarters time basis.

''(2) An individual receiving educational assistance benefits under this chapter for purposes of paying outstanding interest and principal on educational loans shall be considered to be an individual pursuing a program on a full-time basis.

''(b) With respect to any fiscal year beginning after fiscal year 1997, the Secretary shall continue to pay, in lieu of the rates payable under paragraph (1) or (2) of subsection (a), the monthly rates payable under this subsection for the previous fiscal year and shall provide, for any such fiscal year, a percentage increase in such rates equal to the percentage by which—

''(1) the Consumer Price Index (all items, United States city average) for the 12-month period ending on the June 30 preceding the beginning of the fiscal year for which the increase is made, exceeds

''(2) such Consumer Price Index for the 12-month period preceding the 12-month period described in paragraph (1).

''SUBCHAPTER III—TIME LIMITATION FOR USE OF ELIGIBILITY AND ENTITLEMENT; GENERAL AND ADMINISTRATIVE PROVISIONS

''§ 3321. Time limitation for use of eligibility and entitlement

''(a) The period during which an individual entitled to educational assistance under this chapter may use such individual's entitlement expires at the end of the 10-year period beginning on the date of such individual's initial discharge or release from active duty or service in a reserve component, as the case may be.

''(b) In the case of an individual eligible for educational assistance under this chapter—

''(1) who was prevented from pursuing the individual's chosen program of education before the expiration of the 10-year period for use of entitlement under this chapter otherwise applicable under this section because of a physical or mental disability which was not the result of the individual's own willful misconduct, and

''(2) who applies for an extension of such 10-year period within 1 year after (A) the last day of such period, or (B) the last day on which the individual was so prevented from pursuing the program, whichever is later,

the 10-year period shall not run with respect to the individual during the period of time that the individual was so prevented from pursuing the program and the 10-year period will again begin running on the first day following the individual's recovery from the disability on which it is reasonably feasible, as determined under regulations prescribed by the Secretary, for the individual to initiate or resume pursuit of a program of education or training with educational assistance under this chapter.

''(c)(1) If an individual eligible for educational assistance under this chapter is enrolled under this chapter in an educational institution regularly operated on the quarter or semester system and the period of such individual's entitlement under this chapter would, under section 3313, expire during a quarter or semester, such period shall be extended to the end of such quarter or semester.

''(2) If an individual eligible for educational assistance under this chapter is enrolled under this chapter in an educational institution not regularly operated on the quarter or semester system and the period of such individual's entitlement under this chapter would, under section 3313, expire after a major portion of the course is completed, such period shall be extended to the end of the course or for 12 weeks, whichever is the lesser period of extension.

''§ 3322. Bar to duplication of educational assistance benefits

''An individual entitled to educational assistance under this chapter who is eligible for educational assistance under a program under chapter 31, 32, or 35 of this title, under chapter 106 or 107 of title 10, or under the Hostage Relief Act of 1980 (Public Law 96–449; 5 U.S.C. 5561 note) may not receive assistance under two or more of such programs concurrently but shall elect (in such form and manner as the Secretary may prescribe) under which program to receive educational assistance.

''§ 3323. Program administration

''(a) The Secretary shall prescribe regulations governing the provision of educational assistance and supplemental assistance under this chapter and otherwise governing the administration of this chapter. To the maximum extent practicable, and except as provided in subsection (b), such regulations shall be consistent with relevant provisions on the administration of educational assistance benefits under chapters 30, 34, and 36 of this title.

''(b) Notwithstanding any limitation on the period of operation of an educational institution under section 3689 of this title, or under regulations prescribed thereunder, the Secretary may approve the enrollment of an eligible individual under this chapter in a course offered by a proprietary profit educational institution at a subsidiary branch or extension of such institution in operation for less than two years if—

''(1) the main branch of such institution has been in operation for more than two years at the time the course is offered; and

''(2) another subsidiary branch or extension of such institution has been in operation for more than two years at such time''.

(b) CLERICAL AMENDMENTS.—The table of chapters at the beginning of title 38, United States Code, and at the beginning of part III of such title, are each amended by inserting after the item relating to chapter 31 the following new item:

''33. SERVICEPERSONS EDUCATIONAL ASSISTANCE PROGRAM ..... 3301''.

(c) CONFORMING AMENDMENT.—Paragraph (4) of section 3695(a) of such title is amended to read as follows:

''(4) Chapters 30, 32, 33, 34, 35, and 36 of this title, and the former chapter 33 of this title that was repealed before the date of the enactment of the Servicepersons Readjustment Act of 1995.''.

SEC. 102. TAX TREATMENT OF EDUCATIONAL ASSISTANCE.

(a) TAX CREDIT FOR UNUSED EDUCATIONAL ASSISTANCE.—

(1) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable credits) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

''SEC. 35. UNUSED PORTION OF VETERANS EDUCATIONAL ASSISTANCE.

''(a) ALLOWANCE OF CREDIT.—In the case of an individual—

''(1) who is entitled to educational assistance under chapter 33 of title 38, United States Code, and

''(2) whose eligibility for such assistance expires under section 3331 of such title during the taxable year,

there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the unused portion of such educational assistance.

''(b) UNUSED PORTION.—For purposes of subsection (a), the term 'unused portion' means, with respect to any individual, an amount equal to the lesser of—

''(1) the total amount of reductions in the individual's basic pay under chapter 33 of title 38, United States Code, by reason of the individual having elected to receive educational assistance under such chapter, or

''(2) the excess (if any) of—

''(A) the total amount of basic educational assistance which the individual is entitled to under subchapter II of chapter 33 of title 38, United States Code, over

''(B) the sum of—

''(i) the total amounts received by such individual under subchapter II of chapter 33 of title 38, United States Code, and

''(ii) the total amounts received by such individual under any program described in section 3332 of such title which the individual elects to receive in lieu of amounts described in clause (i).''

(2) CONFORMING AMENDMENT.—The table of sections for subpart C of part IV of subchapter A of chapter 1 of such Code is amended by striking the item relating to section 35 and inserting the following new items:

''Sec. 35. Unused portion of veterans educational assistance.

''Sec. 36. Overpayments of tax.''

(b) EXCLUSION OF CERTAIN AMOUNTS.—Section 134 of the Internal Revenue Code of 1986 (relating to certain military benefits) is amended by adding at the end the following new subsection:

''(c) CERTAIN EDUCATIONAL BENEFITS.—

''(1) IN GENERAL.—For purposes of this section, any educational assistance provided under chapter 33 of title 38, United States Code, shall be treated as a qualified military benefit.

''(2) NO CONSTRUCTIVE RECEIPT.—No amount shall be included in the gross income of any individual solely because the individual's basic pay is reduced under chapter 33 of title 38, United States Code, by reason of the individual having elected to receive educational assistance under such chapter.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of enactment of this Act.

TITLE II—FUNDING

SEC. 201. VETERANS PROGRAMS.

(a) EXTENSION OF AUTHORITY TO REQUIRE COPAYMENTS IN EXCHANGE FOR RECEIVING HEALTH-CARE BENEFITS.—

(1) HOSPITAL AND MEDICAL CARE.—Section 8013(e) of the Omnibus Budget Reconciliation Act of 1990 (38 U.S.C. 1710 note) is amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 2000''.

(2) OUTPATIENT MEDICATIONS.—Section 1722A(c) of title 38, United States Code, is amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 2000''.

(b) EXTENSION OF AUTHORITY FOR MEDICAL CARE COST RECOVERY.—Section 1729(a)(2)(E) of such title is amended in the matter preceding clause (i) by striking out ''October 1, 1998,'' and inserting in lieu thereof ''October 1, 2000,''.

(c) REPEAL OF PROHIBITION ON OFFSETS FOR LIABILITIES ON LOAN GUARANTEES.—(1) Section 3726 of such title is repealed.

(2) The table of sections at the beginning of chapter 37 of such title is amended by striking out the item relating to section 3726.

(d) EXTENSION OF AUTHORITY TO COLLECT INCREASED LOAN FEES.—

(1) HOME LOAN FEES.—Section 3729(a)(4) of such title is amended by striking out ''October 1, 1998,'' and inserting in lieu thereof ''October 1, 2000,''.

(2) FEE FOR MULTIPLE USE OF HOUSING ASSISTANCE.—Section 3729(a)(5)(C) of such title is amended by striking out ''October 1, 1998'' and inserting in lieu thereof ''October 1, 2000''.

(e) AUTHORITY TO COLLECT INCREASED LOAN FEES FOR MANUFACTURED HOUSING.—

(1) AUTHORITY.—Section 3729(a)(4) of such title, as amended by subsection (c)(1), is further amended by striking out '', (D)(ii),''.

(2) EXPIRATION.—The amendment made by paragraph (1) expires on September 30, 2000.

(f) EXTENSION OF PROCEDURES APPLICABLE TO LIQUIDATION SALES ON DEFAULTED HOME LOANS.—Section 3732(c)(11) of such title is amended by striking out ''October 1, 1998'' and inserting in lieu thereof ''October 1, 2000''.

(g) EXTENSION OF INCOME VERIFICATION AUTHORITY.—Section 5317(g) of such title is amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 2000''.

(h) EXTENSION OF LIMITATION ON PENSION FOR CERTAIN RECIPIENTS OF MEDICAID-COVERED NURSING HOME CARE.—Section 5503(f)(7) of such title is amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 2000''.

(i) CLOSURE OF VA SUPPLY DEPOTS.—Notwithstanding the provisions of sections 510(b) and 8121 of title 38, United States Code, the Secretary of Veterans Affairs shall phase out and close the Department of Veterans Affairs Supply Depots located at Somerville, New Jersey, Hines, Illinois, and Bell, California, over 2 fiscal years, beginning in fiscal year 1995 and ending in fiscal year 1996, and shall transfer from the Department of Veterans Affairs Revolving Supply Fund to the General Fund of the Treasury, $45,000,000 by September 30, 1995, and $44,000,000 by September 30, 1996.

(j) PROVISION OF DATA BANK INFORMATION TO DEPARTMENT OF VETERANS AFFAIRS.—

(1) ADDITIONAL PURPOSE OF DATA BANK.—

(A) The heading to section 1144 of the Social Security Act (42 U.S.C. 1320b-14) is amended by striking ''**MEDICARE AND MEDICAID**'' and inserting ''**HEALTH CARE**''.

(B) Subsection (a) of that section is amended—

(i) in the matter preceding paragraph (1), by striking ''Medicare and Medicaid'' and inserting ''Health Care'';

(ii) by striking ''and'' at the end of paragraph (1);

(iii) by substituting '', and'' for the period at the end of paragraph (2); and

(iv) by adding at the end the following:

''(3) assist in the identification of, and the collection from, third parties responsible for payment for health care items and services furnished to veterans under chapter 17 of title 38, United States Code.''.

(2) DISCLOSURE OF DATA BANK INFORMATION TO SECRETARY OF VETERANS AFFAIRS.—Subsection (b)(2)(B) of that section is amended by inserting ''to the Secretary of Veterans Affairs and'' after ''Data Bank''.

SEC. 202. ANNUAL PAY ADJUSTMENTS FOR MEMBERS OF CONGRESS.

Effective as of December 31, 1995, paragraph (2) of section 601(a) of the Legislative Reorganization Act of 1946 is amended—

(1) by striking ''(2) Effective'' and inserting ''(2)(A) Subject to subparagraph (B), effective''; and

(2) by adding at the end the following:

''(B) In no event shall the percentage adjustment taking effect under subparagraph (A) in any calendar year exceed the percentage adjustment taking effect in such calendar year under section 5303 of title 5, United States Code, in the rates of pay under the General Schedule.''.

SEC. 203. DETERRENCE OF FRAUD AND ABUSE IN FECA PROGRAM.

(a) Section 8102 of title 5, United States Code, is amended to redesignate subsection (b) as subsection (c), and to add the following new subsection (b):

''(b) An individual convicted of a violation of 18 U.S.C. 1920, as amended, or of any other fraud related to the application for or receipt of benefits under subchapter I or III of chapter 81 of title 5, shall forfeit, as of the date of the conviction, all entitlement to any prospective benefits provided by subchapter I or III for any injury occurring on or before the date of the conviction. Such a forfeiture of benefits shall be in addition to any action the Secretary may take under section 8106 or 8129 of title 5, United States Code.''.

(b) Section 8116 of title 5, United States Code, is amended by adding the following new subsection (e):

''(e) Notwithstanding any other provision of this title, no benefits under sections 8105 or 8106 of this subchapter shall be paid or provided to any individual during any period during which such individual is confined in a jail, prison, or other penal institution or correctional facility, pursuant to that individual's conviction of an offense that constituted a felony under applicable law, except where such individual has one or more dependents within the meaning of section 8110 of this subchapter, in which case the Secretary may, during the period of incarceration, pay to such dependents a percentage of the benefits that would have been payable to such individual computed according to the percentages set forth in section 8133(a)(1)–(5) of this subchapter.''.

(c) Section 8116 of title 5, United States Code, is further amended by adding the following new subsection (f):

''(f) Notwithstanding the provisions of section 552a of this title, or any other provision of Federal or State law, any agency of the United States Government or of any State (or political subdivision thereof) shall make available to the Secretary, upon written request, the names and Social Security account numbers of individuals who are confined in a jail, prison or other penal institution or correctional facility under the jurisdiction of such agency, pursuant to such individuals' conviction of an offense that constituted a felony under applicable law, which the Secretary may require to carry out the provisions of this subsection.''.

(d) Section 1920 of title 18, United States Code, is amended to read as follows: ''Whoever knowingly and willfully falsifies, conceals, or covers up a material fact, or makes a false, fictitious, or fraudulent statement or representation, or makes or uses a false statement or report knowing the same to contain any false, fictitious or fraudulent statement or entry in connection with the application for or receipt of compensation or other benefit or payment under subchapter I or III of chapter 81 of title 5, United States Code, shall be punished by a fine of not more than $250,000, or by imprisonment for not more than five years, or both.''.

(e) Except as otherwise provided in this section, the amendments made by this section shall be effective on the date of enactment and shall apply to actions taken on or after the date of enactment both with respect to claims filed before the day of enactment and with respect to claims filed after such date.

(f) The amendments made by subsections (a), (b), and (c) of this section shall be effective on the date of enactment and shall apply to any person convicted or imprisoned on or after the date of enactment.

(g) The amendment made by subsection (d) of this section shall be effective on the date of enactment and shall apply to any claim, statement, representation, report, or other written document made or submitted in connection with a claim filed under subchapter I or III of chapter 81 of title 5, United States Code.

SEC. 204. ENHANCEMENT OF REEMPLOYMENT PROGRAMS FOR FEDERAL EMPLOYEES DISABLED IN THE PERFORMANCE OF DUTY.

(a) IN GENERAL.—Section 8104 of title 5, United States Code, is amended—

(1) by striking the comma after ''employment'' and by striking ''other than employment undertaken pursuant to such rehabilitation'' from subsection (b); and

(2) by adding the following new subsection (c):

''(c) The Secretary of Labor, as part of the vocational rehabilitation effort, may assist permanently disabled individuals in seeking and/or obtaining employment. The Secretary may reimburse an employer (including a Federal employer), who was not the employer at the time of injury and who agrees to employ a disabled beneficiary, for portions of the salary paid by such employer to the reemployed, disabled beneficiary. Any such sums shall be paid from the Employees' Compensation Fund.''.

(b) EXPANSION OF FEDERAL EMPLOYEES' COMPENSATION ACT PERIODIC ROLL MANAGEMENT PROJECT.—The Secretary of Labor may expand the Federal Employees' Compensation Act Periodic Roll Management Project to all offices of the Office of Workers' Compensation Program of the Department of Labor.

SEC. 205. SALE OF ALASKA POWER ADMINISTRATION.

(a) SNETTISHAM.—

(1) AUTHORITY TO SELL.—The Secretary of Energy may sell the Snettisham Hydroelectric Project (referred to in this section as ''Snettisham'') to the State of Alaska (referred to in this section as the ''Authority''), in accordance with the terms of this section and the February 10, 1989, Snettisham Purchase Agreement between the Alaska Power Administration of the United States Department of Energy and the Alaska Power Authority.

(2) AUTHORITY TO SELL TO MUNICIPALITY OF ANCHORAGE.—The Secretary of Energy may sell the Eklutna Hydroelectric Project (referred to in this section as ''Eklutna'') to the municipality of Anchorage doing business as Municipal Light and Power, the Chugach Electric Association, Inc., and the Matanuska Electric Association, Inc. (referred to in this section as ''Eklutna Purchasers'') in accordance with the August 2, 1989, Eklutna Purchase Agreement between the United States Department of Energy and the Eklutna Purchasers.

(3) ASSISTANCE.—The heads of other affected Federal departments and agencies, including the Secretary of the Interior, shall assist the Secretary of Energy in implementing the sales authorized by this subsection.

(4) DISPOSITION OF PROCEEDS.—The Secretary of Energy shall deposit sale proceeds in the Treasury of the United States to the credit of miscellaneous receipts.

(5) AUTHORITY TO MAKE EXPENDITURES.—There are authorized to be expended such sums as are necessary to prepare or acquire Eklutna and Snettisham assets for sale and conveyance, such preparations to provide sufficient section to ensure the beneficial use, enjoyment, and occupancy to the purchasers of the assets to be sold.

(b) EXEMPTION FROM FEDERAL POWER ACT REQUIREMENTS.—

(1) EXEMPTIONS.—After the sales authorized by this section take place, Eklutna and Snettisham, including future modifications, shall continue to be exempt from the requirements of the Federal Power Act (16 U.S.C. 791a), including its requirements with respect to applications, permits, licenses, and fees, unless a future modification of Eklutna or Snettisham affects Federal lands not used for the two projects when this section takes effect. The foregoing exemptions are subject to the Memorandum of Agreement entered into between the State of Alaska, the Eklutna Purchasers, the Authority, and Federal fish and wildlife agencies regarding the protection, mitigation of, damages to, and enhancement of fish and wildlife, dated August 7, 1991, remaining in full force and effect. Nothing in this section or the Federal Power Act preempts the State of Alaska from carrying out the responsibilities and authorities of the Memorandum of Agreement.

(2) JURISDICTION.—The District Court of the United States for the District of Alaska has jurisdiction to review decisions made under the Memorandum of Agreement and enforce the provisions of the Memorandum of Agreement, including the remedy of specific performance. An action seeking review of a fish and wildlife program of the Governor of Alaska under the Memorandum of Agreement or challenging actions of any of the parties to the Memorandum of Agreement prior to the adoption of the program shall be brought within 90 days of the time the program is adopted by the Governor of Alaska, or be barred. An action seeking review of implementation of the program shall be brought within 90 days of the challenged act implementing the program, or be barred.

(3) RIGHTS-OF-WAY.—With respect to Eklutna lands described in Exhibit A of the Eklutna Purchase Agreement:

(A) The Secretary of the Interior shall issue rights-of-way to the Alaska Power Administration for subsequent reassignment to the Eklutna Purchasers—

(i) at no cost to the Eklutna Purchasers;

(ii) to remain effective for a period equal to the life of Eklutna as extended by improvements, repairs, renewals, or replacements; and

(iii) sufficient for operation, maintenance, repair, and replacement of, and access to, Eklutna facilities located on military lands and lands managed by the Bureau of Land Management, including land selected by the State of Alaska.

(B) If the Eklutna Purchasers subsequently sell or transfer Eklutna to private ownership, the Bureau of Land Management may assess reasonable and customary fees for continued use of the rights-of-way on lands managed by the Bureau of Land Management and military lands in accordance with current law.

(C) Fee section to lands at Anchorage Substation shall be transferred to Eklutna Purchasers at no additional cost if the Secretary of the Interior determines that pending claims to and selections of those lands are invalid or relinquished.

(D) With respect only to approximately 853 acres of Eklutna lands identified in paragraphs 1.a., b., and c. of Exhibit A of the Eklutna Purchase Agreement, the State of Alaska may select and the Secretary of the Interior shall convey to the State improved lands under the selection entitlements in section 6(a) of the Act of July 7, 1958 (Public Law 85–508) and the North Anchorage Land Agreement of January 31, 1983. This conveyance is subject to the rights-of-way provided to the Eklutna Purchasers under subparagraph (A).

(4) AUTHORITY TO SELECT LANDS.—With respect to the approximately 2,671 acres of Snettisham lands identified in paragraphs 1.a., and b. of Exhibit A of the Snettisham Purchase Agreement, the State of Alaska may select and the Secretary of the Interior shall convey to the State improved lands under the selection entitlements in section 6(a) of the Act of July 7, 1958 (Public Law 85–508).

(5) PROHIBITIONS.—Federal lands conveyed to the State of Alaska as part of, or in support of, the Snettisham transfer are specifically prohibited from being included in the Alaska Mental Health Enabling Act (70 Stat. 709) or any reconstitution thereof, under the Alaska Mental Health Trust Lands Settlement Act (Secs. 54–58, Ch. 66, Alaska Session Laws 1991), or any other law.

(6) INTERNAL REVENUE CODE OF 1986.—For purposes of section 147(d) of the Internal Revenue Code of 1986, ''1st use'' of Snettisham shall be considered to occur pursuant to acquisition of the property by or on behalf of the State of Alaska.

(7) CLOSING OF ALASKA POWER ADMINISTRATION.—No later than 1 year after both of the sales authorized in subsection (a) have occurred, as measured by the transaction dates, stipulated in the purchase agreements, the Secretary of Energy shall—

(A) complete the business of, and close out, the Alaska Power Administration;

(B) prepare and submit to Congress a report documenting the sales; and

(C) return unused balances of funds appropriated for the Alaska Power Administration to the Treasury of the United States.

(8) REPEAL OF ACT OF JULY 31, 1950.—The Act of July 31, 1950 (64 Stat. 382) is repealed effective on the date, as determined by the Secretary of Energy, when all Eklutna assets have been conveyed to the Eklutna Purchasers.

(9) REPEAL OF SECTION 204 OF THE FLOOD CONTROL ACT OF 1962.—Section 204 of the Flood Control Act of 1962 (76 Stat. 1193) is repealed effective on the date, as determined by the Secretary of Energy, when all Snettisham assets have been conveyed to the Authority.

(10) EFFECTIVE DATE OF AMENDMENTS.—As of the later of the two dates determined in paragraphs (8) and (9), section 302(a) of the Department of Energy Organization Act (42 U.S.C. 7152(a)) is amended—

(A) in paragraph (1), by striking subparagraph (C) and redesignating subparagraphs (D), (E), and (F) as subparagraphs (C), (D), and (E), respectively; and

(B) in paragraph (2), by striking ''and the Alaska Power Administration'' and inserting ''and'' after ''Southwestern Power Administration,''.

(11) REPEAL OF ACT OF AUGUST 9, 1955.—The Act of August 9, 1955, concerning water resources investigations in Alaska (69 Stat. 618), is repealed.

(12) DISCLAIMER.—The sales of Eklutna and Snettisham under this section are not considered disposal of Federal surplus property under the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484) or the Act of October 3, 1944, popularly referred to as the ''Surplus Property Act of 1944'' (50 U.S.C. App. 1622).

SEC. 206. TERMINATION OF TRADE ADJUSTMENT ASSISTANCE.

(a) IN GENERAL.—Section 285 of the Trade Act of 1974 (19 U.S.C. 2271 preceding note) is amended by striking subsection (c) and inserting the following:

''(c) This chapter, other than sections 282 and 283, shall terminate on September 30, 1995.

''(d)(1) Except as provided in paragraph (2), chapters 2 and 3 shall terminate on September 30, 1995.

''(2) If, on or before September 30, 1995, a worker—

''(A) is eligible to apply for assistance under subchapter D of chapter 2; and

''(B) is otherwise eligible to receive assistance in accordance with section 250,

such worker shall continue to be eligible to receive such assistance for any week after such date for which the worker meets the eligibility requirements of such section.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 236(a)(2)(A) of the Trade Act of 1974 (19 U.S.C. 2296(a)(2)(A)) is amended by striking '', except that for fiscal year 1997, the total amount of payments made under paragraph (1) shall not exceed $70,000,000''.

(2) Section 245 of such Act (19 U.S.C. 2317) is amended—

(A) in subsection (a), by striking ''1995, 1996, 1997, and 1998'' and inserting ''and 1995''; and

(B) in subsection (b), by striking ''1996, 1997, and 1998'' and inserting ''1996, and 1997''.

SEC. 207. CONSOLIDATION OF SOCIAL SERVICE PROGRAMS.

(a) AT-RISK CHILD CARE PROGRAM MERGED INTO PROGRAM OF BLOCK GRANTS TO STATES FOR SOCIAL SERVICES.—

(1) CONSOLIDATION OF SERVICES.—Section 2002(a)(2)(A) of the Social Security Act (42 U.S.C. 1397a(a)(2)(A)) is amended by inserting ''(including services that could have been provided under section 402(i), as in effect immediately before the date of enactment of the Servicepersons Readjustment Act of 1995'' after ''child care services''.

(2) CONSOLIDATION OF FUNDING.—Section 2003(c) of such Act (42 U.S.C. 1397b(c)) is amended—

(A) in paragraph (4), by striking ''and'';

(B) in paragraph (5), by striking ''each fiscal year after fiscal year 1989.'' and inserting ''the fiscal years 1990, 1991, 1992, 1993, and 1994; and''; and

(C) by adding at the end the following:

''(6) $2,976,000,000 for each of the fiscal years 1995, 1996, 1997, 1998, and 1999.''.

(b) CERTAIN DISCRETIONARY SOCIAL SERVICES PROGRAMS MERGED INTO PROGRAM OF BLOCK GRANTS TO STATES FOR SOCIAL SERVICES BUT LEFT DISCRETIONARY.—

(1) CONSOLIDATION OF SERVICES.—Section 2002 of such Act (42 U.S.C. 1397a) is amended—

(A) in subsection (a), by adding at the end the following:

''(3) In addition to payments pursuant to paragraph (1), the Secretary may make payments to a State under this title for a fiscal year in an amount equal to its additional allotment for such fiscal year, to be used by such State for services directed at the goals set forth in section 2001, subject to the requirements of this title.

''(4) For purposes of paragraph (3)—

''(A) services which are directed at the goals set forth in section 2001 include services that could have been provided under—

''(i) the Community Services Block Grant Act;

''(ii) the Child Care and Development Block Grant Act of 1990;

''(iii) title III or VII of the Older Americans Act of 1965; or

''(iv) the State Dependent Care Development Grants Act,

as in effect immediately before the date of enactment of the Servicepersons Readjustment Act of 1995; and

''(B) expenditures for such services may include expenditures described in paragraph (2)(B).''; and

(B) in each of subsections (b), (c), and (d), by inserting ''or additional allotment'' after ''allotment'' each place such term appears.

(2) CONSOLIDATION OF FUNDING.—Section 2003 of such Act (42 U.S.C. 1397b) is amended by adding at the end the following:

''(d) The additional allotment for any fiscal year to each State shall be determined in the same manner in which the allotment for the fiscal year is determined for the State under the preceding subsections of this section, except that, in making such determination the following amounts shall be used in lieu of the amount specified in subsection (c):

''(1) $2,298,000,000 for the fiscal year 1995.

''(2) $2,360,000,000 for the fiscal year 1996.

''(3) $2,424,000,000 for the fiscal year 1997.

''(4) $2,490,000,000 for the fiscal year 1998.

''(5) $2,557,000,000 for the fiscal year 1999.''.

(c) CONFORMING AMENDMENTS AND REPEALS.—

(1) COMMUNITY SERVICES BLOCK GRANT ACT.—The Community Services Block Grant Act (42 U.S.C. 9901 et seq.) is hereby repealed.

(2) CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT OF 1990.—The Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) is hereby repealed.

(3) OLDER AMERICANS ACT OF 1965.—The Older Americans Act of 1965 (42 U.S.C. 3001 et seq.) is amended by striking titles III and VII.

(4) STATE DEPENDENT CARE DEVELOPMENT GRANTS ACT.—The State Dependent Care Development Grants Act (42 U.S.C. 9871 et seq.) is hereby repealed.

(5) AT-RISK CHILD CARE PROGRAM.—

(A) PROGRAM AUTHORITY.—Section 402 of the Social Security Act (42 U.S.C. 602) is amended—

(i) in subsection (g)(7), by striking ''and subsection (i)''; and

(ii) by striking subsection (i).

(B) FUNDING PROVISIONS.—Section 403 of the Social Security Act (42 U.S.C. 603) is amended by striking subsection (n).

(d) EFFECTIVE DATE.—The amendments and repeals made by this section shall take effect on October 1, 1995.

SEC. 208. FEDERAL CLEARINGHOUSE ON DEATH INFORMATION.

(a) CLEARINGHOUSE DESIGNATION.—The heading for section 205(r) of the Social Security Act is amended to read as follows: ''Clearinghouse on Death Information''.

(b) ACQUISITION OF DISCLOSABLE DEATH INFORMATION FROM STATES.—

(1) Section 205(r)(1)(A) of the Social Security Act is amended by striking ''to furnish the Secretary periodically with'' and inserting ''to furnish periodically to the Secretary, for use in carrying out subparagraph (B) and paragraphs (3) and (4),''.

(2)(A) Notwithstanding clause (ii) of section 6103(d)(4)(B) of the Internal Revenue Code of 1986 (as added by section 13444(a) of the Omnibus Budget Reconciliation Act of 1993 (Public Law 103–66)), in order for a contract requiring a State to furnish the Secretary of Health and Human Services information concerning individuals with respect to whom death certificates (or equivalent documents maintained by the State or any subdivision thereof) have been officially filed with it to meet the requirements of such section 6103(d)(4)(B), such contract shall authorize the Secretary to use such information and to redisclose such information to any Federal agency or any agency of a State or political subdivision in accordance with section 205(r) of the Social Security Act.

(B) The provisions of subparagraph (A) of this paragraph and, notwithstanding subparagraph (C) of section 6103(d)(4) of the Internal Revenue Code of 1986 (as added by section 13444(a) of the Omnibus Budget Reconciliation Act of 1993 (Public Law 103–66)), the provisions of subparagraphs (A) and (B) of such section 6103(d)(4) shall apply to all States, regardless of whether they were, on July 1, 1993, pursuant to a contract, furnishing the Secretary of Health and Human Services information concerning individuals with respect to whom death certificates (or equivalent documents maintained by the State or any subdivision thereof) have been officially filed with it.

(C) Subparagraphs (A) and (B) of this paragraph shall take effect at the same time as the amendment made by section 13444(a) of the Omnibus Budget Reconciliation Act of 1993 takes effect.

(D) For the purpose of applying the special rule contained in section 13444(b)(2) of the Omnibus Budget Reconciliation Act of 1993, the reference in such section to section 6103(d)(4)(B) of the Internal Revenue Code of 1986 shall be deemed to include a reference to subparagraph (A) of this paragraph.

(c) PAYMENT TO STATES FOR DEATH INFORMATION.—Section 205(r)(2) of the Social Security Act is amended—

(1) by striking ''the reasonable costs'' and inserting ''a reasonable amount''; and

(2) by striking ''transcribing and transmitting'' and inserting ''furnishing''.

(d) FEE FOR CLEARINGHOUSE INFORMATION.—

(1) Section 205(r)(3) of the Social Security Act is amended by striking out ''if'' and all that follows, and inserting '', provided that such agency agrees to pay the fees set by the Secretary pursuant to paragraph (8).''.

(2) Section 205(r)(4) of the Social Security Act is amended—

(A) by inserting ''and political subdivisions'' after ''States'' the first place such term appears;

(B) by striking ''the States'' and inserting ''any State, political subdivision, or combination thereof''; and

(C) by striking ''if'' and all that follows and inserting ''provided such States and political subdivisions agree to pay the fees set by the Secretary pursuant to paragraph (8).''.

(3) Section 205(r) of the Social Security Act is amended by adding at the end a new paragraph as follows: ''(8) The Secretary shall establish fees for the disclosure of information pursuant to this subsection. Such fees shall be in amounts sufficient to cover all costs (including indirect costs) associated with the Secretary's responsibilities under this subsection. Fees collected pursuant to this paragraph shall remain available, without fiscal year limitation, to the Secretary to cover the administrative costs of carrying out this subsection.''.

(e) TECHNICAL ASSISTANCE.—Section 205(r) of the Social Security Act is amended by adding at the end (after the paragraph added by subsection (d)(3)) the following new paragraph:

''(9) The Secretary may provide to any Federal or State agency that provides Federally funded benefits, upon the request of such agency, technical assistance on the effective collection, dissemination, and use of death information available under this subsection for the purpose of ensuring that such benefits are not erroneously paid to deceased individuals.''.

(f) TECHNICAL AMENDMENT.—Section 205(r) of the Social Security Act is amended by adding at the end (after the paragraph added by subsection (e)) the following new paragraph:

''(10) For purposes of this subsection, the term 'Federally funded benefit' means any payment funded in whole or in part by the Federal Government.''.

(g) EFFECTIVE DATE.—Except as otherwise provided, the amendments made by this section shall take effect upon their enactment.

SEC. 209. SECTION 235 MORTGAGE REFINANCING.

Section 235(r) of the National Housing Act is amended—

(1) in paragraph (2)(C), by inserting after ''refinanced'' the following: '', plus the costs incurred in connection with the refinancing as described in paragraph (4)(B) to the extent that the amount for those costs is not otherwise included in the interest rate as permitted by subparagraph (E) or paid by the Secretary as authorized by paragraph (4)(B)'';

(2) in paragraph (4)—

(A) in the matter preceding subparagraph (A), by inserting after ''otherwise)'' the following: ''and the mortgagee (with respect to the amount described in subparagraph (A))''; and

(B) in subparagraph (A), by inserting after ''mortgagor'' the following: ''and the mortgagee''; and

(3) by amending paragraph (5) to read as follows:

''(5) The Secretary shall use amounts of budget authority recaptured from assistance payments contracts relating to mortgages that are being refinanced for assistance payments contracts with respect to mortgages insured under this subsection. The Secretary may also make such recaptured amounts available for incentives under paragraph (4)(A) and the costs incurred in connection with the refinancing under paragraph (4)(B). For purposes of subsection (c)(3)(A), the amount of recaptured budget authority that the Secretary commits for assistance payments contracts relating to mortgages insured under this subsection and for amounts paid under paragraph (4) shall not be construed as unused.''.

SEC. 210. HUD MULTIFAMILY HOUSING DISPOSITION PROCESS.

(a) FINDINGS.—The Congress finds that—

(1) the portfolio of multifamily housing project mortgages insured by the FHA is severely troubled and at risk of default, requiring the Secretary to increase loss reserves from $5,500,000,000 in 1991 to $11,900,000,000 in 1992 to cover estimated future losses;

(2) the inventory of multifamily housing projects owned by the Secretary of Housing and Urban Development has more than tripled since 1989, and, by the end of 1993, may exceed 75,000 units;

(3) the cost to the Federal Government of owning and maintaining multifamily housing projects escalated to approximately $250,000,000 in fiscal year 1992;

(4) the inventory of multifamily housing projects subject to mortgages held by the Secretary has increased dramatically, to

more than 2,400 mortgages, and approximately half of these mortgages, with over 230,000 units, are delinquent;

(5) the inventory of insured and formerly insured multifamily housing projects is rapidly deteriorating, endangering tenants and neighborhoods;

(6) over 5 million families today have a critical need for housing that is affordable and habitable; and

(7) the current statutory framework governing the disposition of multifamily housing projects effectively impedes the Government's ability to dispose of properties, protect tenants, and ensure that projects are maintained over time.

(b) MANAGEMENT AND DISPOSITION OF MULTIFAMILY HOUSING PROJECTS.—Section 203 of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1701z–11) is amended to read as follows:

"SEC. 203. MANAGEMENT AND DISPOSITION OF MULTIFAMILY HOUSING PROJECTS.

''(a) GOALS.—The Secretary of Housing and Urban Development (in this section referred to as the 'Secretary') shall manage or dispose of multifamily housing projects that are owned by the Secretary or that are subject to a mortgage held by the Secretary in a manner that—

''(1) is consistent with the National Housing Act and this section;

''(2) will protect the financial interests of the Federal Government; and

''(3) will, in the least costly fashion among reasonable available alternatives, further the goals of—

''(A) preserving housing so that it can remain available to and affordable by low-income persons;

''(B) preserving and revitalizing residential neighborhoods;

''(C) maintaining existing housing stock in a decent, safe, and sanitary condition;

''(D) minimizing the involuntary displacement of tenants;

''(E) maintaining housing for the purpose of providing rental housing, cooperative housing, and homeownership opportunities for low-income persons; and

''(F) minimizing the need to demolish multifamily housing projects.

The Secretary, in determining the manner in which a project is to be managed or disposed of, may balance competing goals relating to individual projects in a manner that will further the purposes of this section.

''(b) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

''(1) MULTIFAMILY HOUSING PROJECT.—The term 'multifamily housing project' means any multifamily rental housing project which is, or prior to acquisition by the Secretary was, assisted or insured under the National Housing Act, or was subject to a loan under section 202 of the Housing Act of 1959.

''(2) SUBSIDIZED PROJECT.—The term 'subsidized project' means a multifamily housing project receiving any of the following types of assistance immediately prior to the assignment of the mortgage on such project to, or the acquisition of such mortgage by, the Secretary:

''(A) Below market interest rate mortgage insurance under the proviso of section 221(d)(5) of the National Housing Act.

''(B) Interest reduction payments made in connection with mortgages insured under section 236 of the National Housing Act.

''(C) Direct loans made under section 202 of the Housing Act of 1959.

''(D) Assistance in the form of—

''(i) rent supplement payments under section 101 of the Housing and Urban Development Act of 1965;

''(ii) housing assistance payments made under section 23 of the United States Housing Act of 1937 (as in effect before January 1, 1975); or

''(iii) housing assistance payments made under section 8 of the United States Housing Act of 1937 (excluding payments made for tenant-based assistance under section 8),

if (except for purposes of section 183(c) of the Housing and Community Development Act of 1987) such assistance payments are made to more than 50 percent of the units in the project.

''(3) FORMERLY SUBSIDIZED PROJECT.—The term 'formerly subsidized project' means a multifamily housing project owned by the Secretary that was a subsidized project immediately prior to its acquisition by the Secretary.

''(4) UNSUBSIDIZED PROJECT.—The term 'unsubsidized project' means a multifamily housing project owned by the Secretary that is not a subsidized project or a formerly subsidized project.

''(c) MANAGEMENT OR DISPOSITION OF PROPERTY.—

''(1) DISPOSITION TO PURCHASERS.—The Secretary is authorized, in carrying out this section, to dispose of a multifamily housing project owned by the Secretary on a negotiated, competitive bid, or other basis, on such terms as the Secretary deems appropriate considering the low-income character of the project and the requirements of subsection (a), to a purchaser determined by the Secretary to be capable of—

''(A) satisfying the conditions of the disposition;

''(B) implementing a sound financial and physical management program that is designed to enable the project to meet anticipated operating and repair expenses to ensure that the project will remain in decent, safe, and sanitary condition;

''(C) responding to the needs of the tenants and working cooperatively with tenant organizations;

''(D) providing adequate organizational staff and financial resources to the project; and

''(E) meeting such other requirements as the Secretary may determine.

''(2) CONTRACTING FOR MANAGEMENT SERVICES.—The Secretary is authorized, in carrying out this section—

''(A) to contract for management services for a multifamily housing project that is owned by the Secretary (or for which the Secretary is mortgagee in possession), on a negotiated, competitive bid, or other basis at a price determined by the Secretary to be reasonable, with a manager the Secretary has determined is capable of—

''(i) implementing a sound financial and physical management program that is designed to enable the project to meet anticipated operating and maintenance expenses to ensure that the project will remain in decent, safe, and sanitary condition;

''(ii) responding to the needs of the tenants and working cooperatively with tenant organizations;

''(iii) providing adequate organizational, staff, and other resources to implement a management program determined by the Secretary; and

''(iv) meeting such other requirements as the Secretary may determine; and

''(B) to require the owner of a multifamily housing project that is subject to a mortgage held by the Secretary to contract for management services for the project in the manner described in subparagraph (A).

''(d) MAINTENANCE OF HOUSING PROJECTS.—

''(1) HOUSING PROJECTS OWNED BY THE SECRETARY.—In the case of multifamily housing projects that are owned by the Secretary (or for which the Secretary is mortgagee in possession), the Secretary shall—

''(A) to the greatest extent possible, maintain all such occupied projects in a decent, safe, and sanitary condition;

''(B) to the greatest extent possible, maintain full occupancy in all such projects; and

''(C) maintain all such projects for purposes of providing rental or cooperative housing.

''(2) HOUSING PROJECTS SUBJECT TO A MORTGAGE HELD BY THE SECRETARY.—In the case of any multifamily housing project that is subject to a mortgage held by the Secretary, the Secretary shall require the owner of the project to carry out the requirements of paragraph (1).

''(e) REQUIRED ASSISTANCE.—In carrying out the goal specified in subsection (a)(3)(A), the Secretary shall take not less than one of the following actions:

''(1) CONTRACT WITH OWNER.—Enter into contracts under section 8 of the United States Housing Act of 1937, to the extent budget authority is available, with owners of multifamily housing projects that are acquired by a purchaser other than the Secretary at foreclosure or after sale by the Secretary.

''(A) SUBSIDIZED OR FORMERLY SUBSIDIZED PROJECTS RECEIVING CERTAIN ASSISTANCE.—In the case of a subsidized or formerly subsidized project referred to in subparagraphs (A) through (C) of subsection (b)(2)—

''(i) the contract shall be sufficient to assist at least all units covered by an assistance contract under any of the authorities referred to in subsection (b)(2)(D) before acquisition, unless the Secretary acts pursuant to the provisions of subparagraph (C);

''(ii) in the case of units requiring project-based rental assistance pursuant to this paragraph that are occupied by families who are not eligible for assistance under section 8, a contract under this subparagraph shall also provide that when a vacancy occurs, the owner shall lease the available unit to a family eligible for assistance under section 8; and

''(iii) the Secretary shall take actions to ensure the availability and affordability, as defined in paragraph (3)(B), for the remaining useful life of the project, as defined by the Secretary, of any unit located in any project referred to in subparagraphs (A) through (C) of subsection (b)(2) that does not otherwise receive project-based assistance under this subparagraph. To carry out this clause, the Secretary may require purchasers to establish use or rent restrictions maintaining affordability, as defined in paragraph (3)(B).

''(B) SUBSIDIZED OR FORMERLY SUBSIDIZED PROJECTS RECEIVING OTHER ASSISTANCE.—In the case of a subsidized or formerly subsidized project referred to in subsection (b)(2)(D)—

''(i) the contract shall be sufficient to assist at least all units in the project that are covered, or were covered immediately before foreclosure on or acquisition of the project by the Secretary, by an assistance contract under any of the authorities referred to in such subsection, unless the Secretary acts pursuant to provisions of subparagraph (C); and

''(ii) in the case of units requiring project-based rental assistance pursuant to this paragraph that are occupied by families who are not eligible for assistance under section 8, a contract under this paragraph shall also provide that when a vacancy occurs, the owner shall lease the available unit to a family eligible for assistance under section 8.

''(C) EXCEPTIONS TO SUBPARAGRAPHS (A) AND (B).—In lieu of providing project-based assistance under subparagraph (A) or (B), the Secretary may require certain units in

unsubsidized projects to contain use restrictions providing that such units will be available to and affordable by very low-income families for the remaining useful life of the project, as defined by the Secretary, if—

''(i) the Secretary matches any reduction in units otherwise required to be assisted with project-based assistance under subparagraph (A) or (B) with at least an equivalent increase in units made affordable to very low-income persons within unsubsidized projects;

''(ii) low-income tenants residing in units otherwise requiring project-based assistance under subparagraph (A) or (B) upon disposition receive section 8 tenant-based assistance; and

''(iii) the units described in clause (i) are located within the same market area.

''(D) CONTRACT REQUIREMENTS FOR UNSUBSIDIZED PROJECTS.—Notwithstanding actions taken pursuant to subparagraph (C), in unsubsidized projects, the contract shall at least be sufficient to provide—

''(i) project-based rental assistance for all units that are covered or were covered immediately before foreclosure or acquisition by an assistance contract under—

''(I) section 8(b)(2) of the United States Housing Act of 1937 (as such section existed before October 1, 1983) (new construction and substantial rehabilitation); section 8(b) of such Act (property disposition); section 8(d)(2) of such Act (project-based certificates); section 8(e)(2) of such Act (moderate rehabilitation); section 23 of such Act (as in effect before January 1, 1975); or section 101 of the Housing and Urban Development Act of 1965 (rent supplements); or

''(II) section 8 of the United States Housing Act of 1937, following conversion from section 101 of the Housing and Urban Development Act of 1965; and

''(ii) tenant-based assistance under section 8 of the United States Housing Act of 1937 for tenants currently residing in units that were covered by an assistance contract under the Loan Management Set-Aside program under section 8(b) of the United States Housing Act of 1937 immediately before foreclosure or acquisition of the project by the Secretary.

''(2) ANNUAL CONTRIBUTION CONTRACTS.—In the case of multifamily housing projects that are acquired by a purchaser other than the Secretary at foreclosure or after sale by the Secretary, enter into annual contribution contracts with public housing agencies to provide tenant-based assistance under section 8 of the United States Housing Act of 1937 to all low-income families who are eligible for such assistance on the date that the project is acquired by the purchaser. The Secretary shall take action under this paragraph only after making a determination that there is available in the area an adequate supply of habitable affordable housing for low-income families. Actions taken pursuant to this paragraph may be taken in connection with not more than 10 percent of the aggregate number of units in subsidized or formerly subsidized projects disposed of by the Secretary annually.

''(3) OTHER ASSISTANCE.—

''(A) IN GENERAL.—In accordance with the authority provided under the National Housing Act, reduce the selling price, apply use or rent restrictions on certain units, or provide other financial assistance to the owners of multifamily housing projects that are acquired by a purchaser other than the Secretary at foreclosure, or after sale by the Secretary, on terms which will ensure that—

''(i) at least those units otherwise required to receive project-based section 8 assistance pursuant to subparagraphs (A), (B), or (D) of paragraph (1) are available to and affordable by low-income persons; and

''(ii) for the remaining useful life of the project, as defined by the Secretary, there shall be in force such use or rent restrictions as the Secretary may prescribe.

''(B) DEFINITION.—A unit shall be considered affordable under this paragraph if—

''(i) for very low-income tenants, the rent for such unit does not exceed 30 percent of 50 percent of the area median income, as determined by the Secretary, with adjustments for family size; and

''(ii) for low-income tenants other than very low-income tenants, the rent for such unit does not exceed 30 percent of 80 percent of the area median income, as determined by the Secretary, with adjustments for family size.

''(C) VERY LOW-INCOME TENANTS.—The Secretary shall provide assistance under section 8 of the United States Housing Act of 1937 to any very low-income tenant currently residing in a unit otherwise required to receive project-based assistance under section 8, pursuant to subparagraph (A), (B), or (D) of paragraph (1), if the rents charged such tenants as a result of actions taken pursuant to this paragraph exceed the amount payable as rent under section 3(a) of the United States Housing Act of 1937.

''(4) TRANSFER FOR USE UNDER OTHER PROGRAMS OF THE SECRETARY.—

''(A) IN GENERAL.—Enter into an agreement providing for the transfer of a multifamily housing project—

''(i) to a public housing agency for use of the project as public housing; or

''(ii) to an owner or another appropriate entity for use of the project under section 202 of the Housing Act of 1959 or under section 811 of the Cranston-Gonzalez National Affordable Housing Act.

''(B) REQUIREMENTS FOR AGREEMENT.—The agreement described in subparagraph (A) shall—

''(i) contain such terms, conditions, and limitations as the Secretary determines appropriate, including requirements to assure use of the project under the public housing, section 202, and section 811 programs; and

''(ii) ensure that no current tenant will be displaced as a result of actions taken under this paragraph.

''(f) OTHER ASSISTANCE.—In addition to the actions authorized by subsection (e), the Secretary may take any of the following actions:

''(1) SHORT-TERM LOANS.—Provide short-term loans to facilitate the sale of multifamily housing projects to nonprofit organizations or to public agencies if—

''(A) authority for such loans is provided in advance in an appropriations Act;

''(B) such loans are for a term of not more than 5 years;

''(C) the Secretary is presented with satisfactory documentation, evidencing a commitment of permanent financing to replace such short-term loan, from a lender who meets standards set forth by the Secretary; and

''(D) the terms of such loans are consistent with prevailing practices in the marketplace or the provision of such loans results in no cost to the Government, as defined in section 502 of the Congressional Budget Act.

''(2) TENANT-BASED ASSISTANCE.—In connection with projects referred to in subsection (e), make available tenant-based assistance under section 8 of the United States Housing Act of 1937 to very low-income families (as defined in section 3(b)(2) of the United States Housing Act of 1937) that do not otherwise qualify for project-based assistance.

''(3) ALTERNATIVE USES.—

''(A) IN GENERAL.—Notwithstanding any other provision of law, and subject to notice to and comment from existing tenants, allow not more than—

''(i) 5 percent of the total number of units in multifamily housing projects that are disposed of by the Secretary during any 1-year period to be made available for uses other than rental or cooperative uses, including low-income homeownership opportunities, or in any particular project, community space, office space for tenant or housing-related service providers or security programs, or small business uses, if such uses benefit the tenants of the project; and

''(ii) 5 percent of the total number of units in multifamily housing projects that are disposed of by the Secretary during any 1-year period to be used in any manner, if the Secretary and the unit of general local government or area-wide governing body determine that such use will further fair housing, community development, or neighborhood revitalization goals.

''(B) DISPLACEMENT PROTECTION.—The Secretary shall make available tenant-based rental assistance under section 8 of the United States Housing Act of 1937 to any tenant displaced as a result of actions taken by the Secretary pursuant to subparagraph (A), and the Secretary shall take such actions as the Secretary determines necessary to ensure the successful use of any tenant-based assistance.

''(g) AUTHORIZATION OF USE OR RENT RESTRICTIONS IN UNSUBSIDIZED PROJECTS.—In carrying out the goals specified in subsection (a), the Secretary may require certain units in unsubsidized projects to contain use or rent restrictions providing that such units will be available to and affordable by very low-income persons for the remaining useful life of the property, as defined by the Secretary.

''(h) CONTRACT REQUIREMENTS.—

''(1) CONTRACT TERM.—

''(A) IN GENERAL.—Contracts for project-based rental assistance under section 8 of the United States Housing Act of 1937 provided pursuant to this section shall be for a term of not more than 15 years; and

''(B) CONTRACT TERM OF LESS THAN 15 YEARS.—Notwithstanding subparagraph (A), to the extent that units receive project-based assistance for a contract term of less than 15 years, the Secretary shall require that rents charged to tenants for such units not exceed the amount payable for rent under section 3(a) of the United States Housing Act of 1937 for a period of at least 15 years.

''(2) CONTRACT RENT.—

''(A) IN GENERAL.—The Secretary shall set contract rents for section 8 project-based rental contracts issued under this section at levels that, in conjunction with other resources available to the purchaser, provide for the necessary costs of rehabilitation of such project and do not exceed the percentage of the existing housing fair market rents for the area (as determined by the Secretary under section 8(c) of the United States Housing Act of 1937) as the Secretary may prescribe.

''(B) UP-FRONT GRANTS AND LOANS.—If such an approach is determined to be more cost-effective, the Secretary may utilize the budget authority provided for project-based section 8 contracts issued under this section to—

''(i) provide project-based section 8 rental assistance; and

''(ii)(I) provide up-front grants for the necessary cost of rehabilitation; or

''(II) pay for any cost to the Government, as defined in section 502 of the Congressional Budget Act, for loans made pursuant to subsection (f)(1).

''(i) DISPOSITION PLAN.—

''(1) IN GENERAL.—Prior to the sale of a multifamily housing project that is owned by the Secretary, the Secretary shall develop

a disposition plan for the project that specifies the minimum terms and conditions of the Secretary for disposition of the project, the initial sales price that is acceptable to the Secretary, and the assistance that the Secretary plans to make available to a prospective purchaser in accordance with this section. The initial sales price shall reflect the intended use of the property after sale.

''(2) COMMUNITY AND TENANT INPUT INTO DISPOSITION PLANS AND SALES.—

''(A) IN GENERAL.—In carrying out this section, the Secretary shall develop procedures to obtain appropriate and timely input into disposition plans from officials of the unit of general local government affected, the community in which the project is situated, and the tenants of the project.

''(B) TENANT ORGANIZATIONS.—The Secretary shall develop procedures to facilitate, where feasible and appropriate, the sale of multifamily housing projects to existing tenant organizations with demonstrated capacity or to public or nonprofit entities which represent or are affiliated with existing tenant organizations.

''(C) TECHNICAL ASSISTANCE.—

''(i) USE OF FUNDS.—To carry out the procedures developed under subparagraphs (A) and (B), the Secretary is authorized to provide technical assistance, directly or indirectly, and to use amounts appropriated for technical assistance under the Emergency Low Income Housing Preservation Act of 1987, the Low-Income Housing Preservation and Resident Homeownership Act of 1990, subtitle B of title IV of the Cranston-Gonzalez National Affordable Housing Act, or under this section for the provision of technical assistance under this section.

''(ii) SOURCE OF FUNDS.—Recipients of technical assistance funding under the Emergency Low Income Housing Preservation Act of 1987, the Low-Income Housing Preservation and Resident Homeownership Act of 1990, subtitle B of title IV of the Cranston-Gonzalez National Affordable Housing Act, or under this section shall be permitted to provide technical assistance to the extent of such funding under any of such programs or under this section, notwithstanding the source of funding.

''(j) RIGHT OF FIRST REFUSAL.—

''(1) PROCEDURE.—

''(A) NOTIFICATION BY SECRETARY OF THE ACQUISITION OF TITLE.—Not later than 30 days after acquiring title to a project, the Secretary shall notify the unit of general local government and the State agency or agencies designated by the Governor of the acquisition of such title.

''(B) EXPRESSION OF INTEREST.—Not later than 45 days after receiving notification from the Secretary under subparagraph (A), the unit of general local government or designated State agency may submit to the Secretary a preliminary expression of interest in the project. The Secretary may take such actions as may be necessary to require the unit of general local government or designated State agency to substantiate such interest.

''(C) TIMELY EXPRESSION OF INTEREST.—If the unit of general local government or designated State agency has expressed interest in the project before the expiration of the 45-day period referred to in subparagraph (B), and has substantiated such interest if requested, the Secretary, upon approval of a disposition plan for a project, shall notify the unit of general local government and designated State agency of the terms and conditions of the disposition plan and give the unit of general local government or designated State agency not more than 90 days after the date of such notification to make an offer to purchase the project.

''(D) NO TIMELY EXPRESSION OF INTEREST.—If the unit of general local government or designated State agency does not express interest before the expiration of the 45-day period referred to in subparagraph (B), or does not substantiate an expressed interest if requested, the Secretary, upon approval of a disposition plan, may offer the project for sale to any interested person or entity.

''(2) ACCEPTANCE OF OFFERS.—Where the Secretary has given the unit of general local government or designated State agency 90 days to make an offer to purchase the project, the Secretary shall accept an offer that complies with the terms and conditions of the disposition plan. The Secretary may accept an offer that does not comply with the terms and conditions of the disposition plan if the Secretary determines that the offer will further the goals specified in subsection (a) by actions that include extension of the duration of low-income affordability restrictions or otherwise restructuring the transaction in a manner that enhances the long-term affordability for low-income persons. The Secretary shall, in particular, have discretion to reduce the initial sales price in exchange for the extension of low-income affordability restrictions beyond the period of assistance contemplated by the attachment of assistance pursuant to subsection (e). If the Secretary and the unit of general local government or designated State agency cannot reach agreement within 90 days, the Secretary may offer the project for sale to the general public.

''(3) PURCHASE BY UNIT OF GENERAL LOCAL GOVERNMENT OR DESIGNATED STATE AGENCY.—Notwithstanding any other provision of law, a unit of general local government (including a public housing agency) or designated State agency may purchase a subsidized or formerly subsidized project in accordance with this subsection.

''(4) APPLICABILITY.—This subsection shall apply to projects that are acquired on or after the effective date of this subsection. With respect to projects acquired before such effective date, the Secretary may apply—

''(A) the requirements of paragraphs (2) and (3) of section 203(e) as such paragraphs existed immediately before the effective date of this subsection; or

''(B) the requirements of paragraphs (1) and (2) of this subsection, if the Secretary gives the unit of general local government or designated State agency—

''(i) 45 days to express interest in the project; and

''(ii) if the unit of general local government or designated State agency expresses interest in the project before the expiration of the 45-day period, and substantiates such interest if requested, 90 days from the date of notification of the terms and conditions of the disposition plan to make an offer to purchase the project.

''(k) DISPLACEMENT OF TENANTS AND RELOCATION ASSISTANCE.—

''(1) IN GENERAL.—Whenever tenants will be displaced as a result of the disposition of, or repairs to, a multifamily housing project that is owned by the Secretary (or for which the Secretary is mortgagee in possession), the Secretary shall identify tenants who will be displaced, and shall notify all such tenants of their pending displacement and of any relocation assistance which may be available. In the case of a multifamily housing project that is not owned by the Secretary (and for which the Secretary is not mortgagee in possession), the Secretary shall require the owner of the project to carry out the requirements of this paragraph.

''(2) RIGHTS OF DISPLACED TENANTS.—The Secretary shall assure for any such tenant (who continues to meet applicable qualification standards) the right—

''(A) to return, whenever possible, to a repaired unit;

''(B) to occupy a unit in another multifamily housing project owned by the Secretary;

''(C) to obtain housing assistance under the United States Housing Act of 1937; or

''(D) to receive any other available relocation assistance as the Secretary determines to be appropriate.

''(l) MORTGAGE AND PROJECT SALES.—

''(1) IN GENERAL.—The Secretary may not approve the sale of any loan or mortgage held by the Secretary (including any loan or mortgage owned by the Government National Mortgage Association) on any subsidized project or formerly subsidized project, unless such sale is made as part of a transaction that will ensure that such project will continue to operate at least until the maturity date of such loan or mortgage, in a manner that will provide rental housing on terms at least as advantageous to existing and future tenants as the terms required by the program under which the loan or mortgage was made or insured prior to the assignment of the loan or mortgage on such project to the Secretary.

''(2) SALE OF CERTAIN PROJECTS.—The Secretary may not approve the sale of any subsidized project—

''(A) that is subject to a mortgage held by the Secretary; or

''(B) if the sale transaction involves the provision of any additional subsidy funds by the Secretary or a recasting of the mortgage, unless such sale is made as part of a transaction that will ensure that such project will continue to operate at least until the maturity date of the loan or mortgage, in a manner that will provide rental housing on terms at least as advantageous to existing and future tenants as the terms required by the program under which the loan or mortgage was made or insured prior to the proposed sale of the project.

''(3) MORTGAGE SALES TO STATE AND LOCAL GOVERNMENTS.—Notwithstanding any provision of law that may require competitive sales or bidding, the Secretary may carry out negotiated sales of subsidized or formerly subsidized mortgages held by the Secretary, without the competitive selection of purchasers or intermediaries, to units of general local government or State agencies, or groups of investors that include at least one such unit of general local government or State agency, if the negotiations are conducted with such agencies, except that—

''(A) the terms of any such sale shall include the agreement of the purchasing agency or unit of local government or State agency to act as mortgagee or owner of a beneficial interest in such mortgages, in a manner consistent with maintaining the projects that are subject to such mortgages for occupancy by the general tenant group intended to be served by the applicable mortgage insurance program, including, to the extent the Secretary determines appropriate, authorizing such unit of local government or State agency to enforce the provisions of any regulatory agreement or other program requirements applicable to the related projects; and

''(B) the sales prices for such mortgages shall be, in the determination of the Secretary, the best prices that may be obtained for such mortgages from a unit of general local government or State agency, consistent with the expectation and intention that the projects financed will be retained for use under the applicable mortgage insurance program for the life of the initial mortgage insurance contract.

''(4) SALE OF MORTGAGES COVERING UNSUBSIDIZED PROJECTS.—Notwithstanding any other provision of law, the Secretary may sell mortgages held on unsubsidized

projects on such terms and conditions as the Secretary may prescribe.

''(m) REPORT TO CONGRESS.—Not later than June 1 of each year, the Secretary shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives, a report describing the status of multifamily housing projects owned by or subject to mortgages held by the Secretary, which report shall include—

''(1) the name, address, and size of each project;

''(2) the nature and date of assignment;

''(3) the status of the mortgage;

''(4) the physical condition of the project;

''(5) an occupancy profile of the project, including the income, family size, and race of current residents as well as the rents paid by such residents;

''(6) the proportion of units in a project that are vacant;

''(7) the date on which the Secretary became mortgagee in possession;

''(8) the date and conditions of any foreclosure sale;

''(9) the date of acquisition by the Secretary;

''(10) the date and conditions of any property disposition sale;

''(11) a description of actions undertaken pursuant to this section, including—

''(A) a comparison of results between actions taken after enactment of the Housing and Community Development Act of 1993 and actions taken in years prior to such enactment;

''(B) a description of any impediments to the disposition or management of multifamily housing projects, together with a recommendation of proposed legislative or regulatory changes designed to ameliorate such impediments;

''(C) a description of actions taken to restructure or commence foreclosure on delinquent multifamily mortgages held by the Department; and

''(D) a description of actions taken to monitor and prevent the default of multifamily housing mortgages held by the Federal Housing Administration;

''(12) a description of any of the functions performed in connection with this section that are contracted out to public or private entities or to States, including—

''(A) the costs associated with such delegation;

''(B) the implications of contracting out or delegating such functions for current Department field or regional personnel, including anticipated personnel or work load reductions;

''(C) necessary oversight required by Department personnel, including anticipated personnel hours devoted to such oversight;

''(D) a description of any authority granted to such public or private entities or States in conjunction with the functions that have been delegated or contracted out or that are not otherwise available for use by Department personnel; and

''(E) the extent to which such public or private entities or States include tenants of multifamily housing projects in the disposition planning for such projects;

''(13) a description of the activities carried out under subsection (j) during the preceding year; and

''(14) a description and assessment of the rules, guidelines, and practices governing the Department's management of multifamily housing projects that are owned by the Secretary (or for which the Secretary is mortgagee in possession) as well as the steps that the Secretary has taken or plans to take to improve the management performance of the Department.''.

(c) EFFECTIVE DATE.—The Secretary of Housing and Urban Development shall, by notice published in the Federal Register, which shall take effect upon publication, establish such requirements as may be necessary to implement the amendments made by this section. The notice shall invite public comments, and the Secretary shall issue final regulations based on the initial notice, taking into account any public comments received.

ADDITIONAL COSPONSORS

S. 96

At the request of Mr. HATCH, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 96, a bill to amend the Public Health Service Act to provide for the conduct of expanded studies and the establishment of innovative programs with respect to traumatic brain injury, and for other purposes.

S. 643

At the request of Mrs. MURRAY, the name of the Senator from California [Mrs. BOXER] was added as a cosponsor of S. 643, a bill to assist in implementing the plan of action adopted by the World Summit for Children.

S. 832

At the request of Mr. LAUTENBERG, his name was added as a cosponsor of S. 832, a bill to require the Prospective Payment Assessment Commission to develop separate applicable percentage increases to ensure that medicare beneficiaries who receive services from medicare dependent hospitals receive the same quality of care and access to services as medicare beneficiaries in other hospitals, and for other purposes.

S. 863

At the request of Mr. GRASSLEY, the name of the Senator from Vermont [Mr. JEFFORDS] was added as a cosponsor of S. 863, a bill to amend title XVIII of the Social Security Act to provide for increased medicare reimbursement for physician assistants, to increase the delivery of health services in health professional shortage areas, and for other purposes.

S. 864

At the request of Mr. GRASSLEY, the name of the Senator from Vermont [Mr. JEFFORDS] was added as a cosponsor of S. 864, a bill to amend title XVIII of the Social Security Act to provide for increased medicare reimbursement for nurse practitioners and clinical nurse specialists to increase the delivery of health services in health professional shortage areas, and for other purposes.

S. 955

At the request of Mr. HATCH, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 955, a bill to clarify the scope of coverage and amount of payment under the medicare program of items and services associated with the use in the furnishing of inpatient hospital services of certain medical devices approved for investigational use.

S. 974

At the request of Mr. GRASSLEY, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 974, a bill to prohibit certain acts involving the use of computers in the furtherance of crimes, and for other purposes.

S. 1136

At the request of Mr. HATCH, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of S. 1136, a bill to control and prevent commercial counterfeiting, and for other purposes.

S. 1160

At the request of Mr. ROCKEFELLER, the name of the Senator from Illinois [Ms. MOSELEY-BRAUN] was added as a cosponsor of S. 1160, a bill to amend the Internal Revenue Code of 1986 to provide that the depreciation rules which apply for regular tax purposes also shall apply for alternative minimum tax purposes.

S. 1219

At the request of Mr. FEINGOLD, the name of the Senator from Florida [Mr. GRAHAM] was added as a cosponsor of S. 1219, a bill to reform the financing of Federal elections, and for other purposes.

S. 1289

At the request of Mr. KYL, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 1289, a bill to amend title XVIII of the Social Security Act to clarify the use of private contracts, and for other purposes.

SENATE RESOLUTION 177

At the request of Mr. BIDEN, the names of the Senator from Michigan [Mr. ABRAHAM], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Mississippi [Mr. COCHRAN], the Senator from New Mexico [Mr. DOMENICI], the Senator from Hawaii [Mr. AKAKA], the Senator from California [Mrs. BOXER], the Senator from New Jersey [Mr. BRADLEY], the Senator from Kansas [Mr. DOLE], the Senator from New York [Mr. D'AMATO], the Senator from Louisiana [Mr. BREAUX], the Senator from Nevada [Mr. BRYAN], the Senator from Tennessee [Mr. FRIST], the Senator from South Dakota [Mr. DASCHLE], the Senator from Connecticut [Mr. DODD], the Senator from Iowa [Mr. GRASSLEY], the Senator from New Hampshire [Mr. GREGG], the Senator from Utah [Mr. HATCH], the Senator from North Dakota [Mr. DORGAN], the Senator from Texas [Mrs. HUTCHISON], the Senator from Wisconsin [Mr. FEINGOLD], the Senator from California [Mrs. FEINSTEIN], the Senator from Ohio [Mr. GLENN], the Senator from Kentucky [Mr. FORD], the Senator from Florida [Mr. MACK], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Delaware [Mr. ROTH], the Senator from Vermont [Mr. LEAHY], the Senator from New Hampshire [Mr. SMITH], the Senator from Maine [Ms. SNOWE], the Senator from

Pennsylvania [Mr. SPECTER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Michigan [Mr. LEVIN], the Senator from Alaska [Mr. STEVENS], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Maryland [Ms. MIKULSKI], the Senator from New York [Mr. MOYNIHAN], the Senator from Washington [Mrs. MURRAY], the Senator from Rhode Island [Mr. PELL], the Senator from South Carolina [Mr. THURMOND], the Senator from Nevada [Mr. REID], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from Maryland [Mr. SARBANES], the Senator from Illinois [Mr. SIMON], the Senator from Minnesota [Mr. WELLSTONE], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Arizona [Mr. MCCAIN], the Senator from Massachusetts [Mr. KERRY], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from Wyoming [Mr. THOMAS], the Senator from Illinois [Ms. MOSELEY-BRAUN], the Senator from New Mexico [Mr. BINGAMAN], the Senator from Hawaii [Mr. INOUYE], and the Senator from Ohio [Mr. DEWINE] were added as cosponsors of Senate Resolution 177, a resolution to designate October 19, 1995, as ''National Mammography Day.''

AMENDMENTS SUBMITTED

THE CUBAN LIBERTY AND DEMOCRATIC SOLIDARITY [LIBERTAD] ACT OF 1995

KEMPTHORNE (AND CRAIG) AMENDMENTS NOS. 2928–2929

(Ordered to lie on the table.)

Mr. KEMPTHORNE (for himself and Mr. CRAIG) submitted an amendment intended to be proposed by them to amendment No. 2898 proposed by Mr. DOLE to the bill (H.R. 927) to seek international sanctions against the Castro government in Cuba, to plan for support of a transition government leading to a democratically elected government in Cuba, and for other purposes; as follows:

AMENDMENT NO. 2928

At the end, insert the following:

( ) Notwithstanding any other provision of this Act, but for purposes of Title III, any person or entity, including any agency or instrumentality of a foreign state, shall be deemed to have received the notices described in subsections (B)(i) and (B)(ii) with respect to any claim certified prior to the effective date hereof by the Foreign Claims Settlement Commission.

( ) Notwithstanding any other provision of this Act, but for purposes of Title III, an action may be brought under Title III by a United States national only where the amount in controversy exceeds $50,000, exclusive of costs, attorneys' fees, and exclusive interest under sections 302(a)(i)(I), (II), and (III), and exclusive of any additional sums under section 302(a)(3)(B).

( ) Notwithstanding any other provision of this Act, but for purposes of Title III, a United States national who was eligible to file the underlying claim in the action with the Foreign Claims Settlement Commission under Title V of the International Claims Settlement Act of 1949 but did not so file the claim may not bring an action under this Title.

( ) Notwithstanding any other provisions of this Act, but for purposes of Title III, in the event some or all actions or claims filed under this section are consolidated by judicial or other action in such manner as to create a pool of assets available to satisfy such claims, including a pool of assets in a proceeding in bankruptcy, every certified claimant who filed such an action or claim which is consolidated in such manner with other claims shall be entitled to payment in full of its claim from the assets in such pool prior to any payment from the assets in such pool with respect to any claim not certified by the Foreign Claims Settlement Commission.

( ) Notwithstanding any other provision of this Act, but for purposes of Title III, in the case of any action brought under this Title by a United States national whose underlying claim in the action was timely filed with the Foreign Claims Settlement Commission under Title V of the International Claims Settlement Act of 1949 but was denied by the Commission, the court shall accept the findings of the Commission on the claim as conclusive in the action under this Title.

AMENDMENT NO. 2929

At the end, insert the following:

( ) Notwithstanding any other provision of this Act, but for purposes of Title III, any person or entity, including any agency or instrumentality of a foreign state, shall be deemed to have received the notices described in subsections (B)(i) and (B)(ii) with respect to any claim certified prior to the effective date hereof by the Foreign Claims Settlement Commission.

( ) Notwithstanding any other provision of this Act, but for purposes of Title III, an action may be brought under Title III by a United States national only where the amount in controversy exceeds $50,000, exclusive of costs, attorneys' fees, and exclusive interest under sections 302(a)(i) (I), (II), and (III), and exclusive of any additional sums under section 302(a)(3)(B).

( ) Notwithstanding any other provision of this Act, but for purposes of Title III, a United States national who was eligible to file the underlying claim in the action with the Foreign Claims Settlement Commission under Title V of the International Claims Settlement Act of 1949 but did not so file the claim may not bring an action under this Title.

( ) Notwithstanding any other provision of this Act, but for purposes of Title III, in the event some or all actions or claims filed under this section are consolidated by judicial or other action in such manner as to create a pool of assets available to satisfy such claims, including a pool of assets in a proceeding in bankruptcy, every certified claimant who filed such an action or claim which is consolidated in such manner with other claims shall be entitled to payment in full of its claim from the assets in such pool prior to any payment from the assets in such pool with respect to any claim not certified by the Foreign Claims Settlement Commission.

( ) Notwithstanding any other provision of this Act, but for purposes of Title III, in the case of any action brought under this Title by a United States national whose underlying claim in the action was timely filed with the Foreign Claims Settlement Commission under Title V of the International Claims Settlement Act of 1949 but was denied by the Commission, the court shall accept the findings of the Commission on the claim as conclusive in the action under this Title.

( ) Notwithstanding any other provision of this Act, any provisions in this Act related to the import of sugar or sugar products shall be deemed ''sense of the Congress'' language.

BRADLEY AMENDMENTS NOS. 2930–2931

(Ordered to lie on the table.)

Mr. BRADLEY submitted two amendments intended to be proposed by him to amendment No. 2898 proposed by Mr. DOLE to the bill H.R. 927, supra; as follows:

AMENDMENT NO. 2930

On page 14, strike line 1 and all that follows through line 14 on page 16 and insert in lieu thereof the following:

''(5) except for assistance under the secondary school exchange program administered by the United States Information Agency, for the government of any independent state effective 30 days after the President has determined and certified to the appropriate congressional committees (and Congress has not enacted legislation disapproving the determination without the 30-day period) that such government is providing assistance for, or engaging in nonmarket based trade (as defined in section 498B(k)(3)) with, the Government of Cuba; or''.

(2) Subsection (k) of section 498B of that Act (22 U.S.C. 2298b(k)), is amended by adding at the end the following:

''(3) NONMARKET BASED TRADE.—As used in section 498A(b)(5), the term 'nonmarket based trade' includes exports, imports, exchanges, or other arrangements that are provided for goods and services (including oil and other petroleum products) on terms more favorable than those generally available in applicable markets or for comparable commodities, including—

''(A) exports to the Government of Cuba on terms that involve a grant, concessional price, guarantee, insurance, or subsidy;

''(B) imports from the Government of Cuba at preferential tariff rates;

''(C) exchange arrangements that include advance delivery of commodities, arrangements in which the Government of Cuba is not held accountable for unfulfilled exchange contracts, and arrangements under which Cuba does not pay appropriate transportation, insurance, or finance costs; and

''(D) the exchange, reduction, or forgiveness of Cuban government debt in return for a grant by the Cuban government of an equity interest in a property, investment, or operation of the Government of Cuba or of a Cuban national.''.

''(4) CUBAN GOVERNMENT.—(A) The term Cuban government includes the government of any political subdivision of Cuba, and any agency or instrumentality of the Government of Cuba.

''(B) For purposes of subparagraph (A), the term 'agency or instrumentality' is used within the meaning of section 1603(b) of title 28, United States Code.''.

(d) FACILITIES AT LOURDES, CUBA.—(1) The Congress express its strong disapproval of the extension by Russia of credits equivalent to $200,000,000 in support of the intelligence facility at Lourdes, Cuba, announced in November 1994.

(2) Section 498A of the Foreign Assistance Act of 1961 (22 U.S.C. 2295a) is amended by adding at the end the following new subsection:

''(d) REDUCTION IN ASSISTANCE FOR SUPPORT OF INTELLIGENCE FACILITIES IN CUBA.—(1) Notwithstanding any other provision of law, the President shall withhold from assistance provided, on or after the date of enactment

of this subsection, for an independent state of the former Soviet Union under this Act an amount equal to the sum of assistance and credits, if any, provided on or after such date by such state in support of intelligence facilities in Cuba, including the intelligence facility at Lourdes, Cuba.

''(2)(A) the President may waive the requirement of paragraph (1) to withhold assistance if the President certifies to the appropriate congressional committees that the provision of such assistance is important to the national security of the United States, and, in the case of such a certification made with respect to Russia, if the President certifies that the Russian Government has assured the United States Government that the Russian Government is not sharing intelligence data collected at the Lourdes facility with officials or agents of the Cuban Government.

''(B) At the time of a certification made with respect to Russia pursuant to subparagraph (A), the President shall also submit to the appropriate congressional committees a report describing the intelligence activities of Russia in Cuba, including the purposes for which the Lourdes facility is used by the Russian Government and the extent to which the Russian Government provides payment or government credits to the Cuban Government for the continued use of the Lourdes facility.

''(C) the report required by subparagraph (B) may be submitted in classified form.

''(D) For purposes of this paragraph, the term 'appropriate congressional committees' includes the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate.

''(3) The requirement of paragraph (1) to withhold assistance shall not apply with respect to—

''(A) assistance to meet urgent humanitarian needs, including disaster and refugee relief;

''(B) democratic political reform and rule of law activities;

''(C) technical assistance for safety upgrades of civilian nuclear power plants;

''(D) the creation of private sector and nongovernmental organizations that are independent of government control;

''(E) the development of a free market economic system;

''(F) assistance under the secondary school exchange program administered by the United States Information Agency; or

''(G) assistance for the purposes described in the Cooperative Threat Reduction Act of 1993 (title XII of Public Law 103–160)''.

AMENDMENT NO. 1931

In lieu of the matter proposed to be inserted by the amendment, insert the following:

The language beginning on page 14, line 1, through line 14 on page 16 is deemed to be as follows:

''(5) except for assistance under the secondary school exchange program administered by the United States Information Agency, for the government of any independent state effective 30 days after the President has determined and certified to the appropriate congressional committees (and Congress has not enacted legislation disapproving the determination within the 30-day period) that such government is providing assistance for, or engaging in nonmarket based trade (as defined in section 498B(k)(3)) with, the Government of Cuba; or''.

(2) Subsection (k) of section 498B of that Act. (22 U.S.C. 2295b(k)), is amended by adding at the end the following:

''(3) NONMARKET BASED TRADE.—As used in, section 498A(b)(5), the term 'nonmarket based trade' includes exports, imports, exchanges, or other arrangements that are provided for goods and services (including oil and other petroleum products) on terms more favorable than those generally available in applicable markets or for comparable commodities, including—

''(A) exports to the Government of Cuba on terms that involve a grant, concessional price, guarantee, insurance, or subsidy;

''(B) imports from the Government of Cuba at preferential tariff rates;

''(C) exchange arrangements that include advance delivery of commodities, arrangements in which the Government of Cuba is not held accountable for unfulfilled exchange contracts, and arrangements under which Cuba does not pay appropriate transportation, insurance, or finance costs; and

''(D) the exchange, reduction, or forgiveness of Cuban government debt in return for a grant by the Cuban government of an equity interest in a property, investment, or operation of the Government of Cuba or of a Cuban national.''.

''(4) CUBAN GOVERNMENT.—(A) The term Cuban government includes the government of any political subdivision of Cuba, and any agency or instrumentality of the Government of Cuba.

''(B) For purposes of subparagraph (A), the term 'agency or instrumentality' is used within the meaning of section 1603(b) of title 28, United States Code.''.

(d) FACILITIES AT LOURDES, CUBA.—(1) The Congress expresses its strong disapproval of the extension by Russia of credits equivalent to $200,000,000 in support of the intelligence facility at Lourdes, Cuba, announced in November 1994.

(2) Section 498A of the Foreign Assistance Act of 1961 (22 U.S.C. 2295a) is amended by adding at the end the following new subsection:

''(d) REDUCTION IN ASSISTANCE FOR SUPPORT OF INTELLIGENCE FACILITIES IN CUBA.—(1) Notwithstanding any other provision of law, the President shall withhold from assistance provided, on or after the date of enactment of this subsection, for an independent state of the former Soviet Union under this Act an amount equal to the sum of assistance and credits, if any, provided on or after such date by such state in support of intelligence facilities in Cuba, including the intelligence facility at Lourdes, Cuba.

''(2)(A) The President may waive the requirement of paragraph (1) to withhold assistance if the President certifies to the appropriate congressional committees that the provision of such assistance is important to the national security of the United States, and, in the case of such a certification made with respect to Russia, if the President certifies that the Russian Government has assured the United States Government that the Russian Government is not sharing intelligence data collected at the Lourdes facility with officials or agents of the Cuban Government.

''(B) At the time of a certification made with respect to Russia pursuant to subparagraph (A), the President shall also submit to the appropriate congressional committees a report describing the intelligence activities of Russia in Cuba, including the purposes for which the Lourdes facility is used by the Russian Government and the extent to which the Russian Government provides payment or government credits to the Cuban Government for the continued use of the Lourdes facility.

''(C) The report required by subparagraph (B) may be submitted in classified form.

''(D) For purposes of this paragraph, the term appropriate congressional committees, includes the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate.

''(3) The requirement of paragraph (1) to withhold assistance shall not apply with respect to—

''(A) assistance to meet urgent humanitarian needs, including disaster and refugee relief;

''(B) democratic political reform and rule of law activities;

''(C) technical assistance for safety upgrades of civilian nuclear power plants;

''(D) the creation of private sector and nongovernmental organizations that are independent of government control;

''(E) the development of a free market economic system;

''(F) assistance under the secondary school exchange program administered by the United States Information Agency; or

''(G) assistance for the purposes described in the Cooperative Threat Reduction Act of 1993 (title XII of Public law 103–160)''.

DODD AMENDMENT NO. 2932

(Ordered to lie on the table.)

Mr. DODD submitted an amendment intended to be proposed by him to amendment No. 2913 submitted by Mr. MACK to amendment No. 2898 proposed by Mr. DOLE to the bill, H.R. 927, supra; as follows:

Strike all after the first word of the pending amendment and insert in lieu thereof the following:

(a) CONGRESSIONAL NOTIFICATION.—The President shall notify the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations in the Senate within 48 hours of concluding any agreement entered into between the governments of the United States and Cuba;

(b) To the extent possible, the President should also consult the relevant committees of Congress with respect to any ongoing negotiations between such governments unless such consultations would adversely effect the outcome.

DODD AMENDMENT NO. 2933

(Ordered to lie on the table.)

Mr. DODD submitted an amendment intended to be proposed by him to amendment No. 2923 submitted by Mr. HELMS to amendment No. 2898 proposed by Mr. DOLE to the bill, H.R. 927, supra; as follows:

Strike all after the first word of the pending amendment and insert in lieu thereof the following:

IV—STUDY ON EXCLUSION OF ALIENS FOR PROPERTY PURPOSES

SEC. 401. (a) The Secretary of State shall undertake a study of how serious a problem the confiscation of U.S. property by foreign governments has become.

(b) The Secretary of State shall submit a legal analysis to the relevant Congressional Committees as to whether the exclusion of aliens from the U.S., who may be involved in the expropriation issues, is consistent with U.S. obligations entered into in the context of GATT and NAFTA.

SIMON AMENDMENT NO. 2934

(Ordered to lie on the table.)

Mr. SIMON submitted an amendment intended to be proposed by him to amendment No. 2899 submitted by him to amendment No. 2898 proposed by Mr. DOLE to the bill H.R. 927, supra; as follows:

Strike Title , ''Freedom to Travel.''

Strike section 103(d), and insert the following in its stead:

SEC. 103(d). TRAVEL TO CUBA.

(1) FREEDOM TO TRAVEL TO CUBA FOR UNITED STATES CITIZENS AND LEGAL RESIDENTS.—Notwithstanding any other provision of law, the President shall not restrict travel to Cuba by United States citizens or legal residents, except in the event that armed hostilities between Cuba and the United States are in progress, or where such travel presents an imminent danger to the public health or the physical safety of United States travelers.

(2) AMENDMENTS TO TRADING WITH THE ENEMY ACT.—Section 5(b) of the Trading With The Enemy Act (50 U.S.C. App. 5(b)) is amended by adding at the end the following new paragraphs:

''(5) The authority granted by the President in this section does not include the authority to regulate or prohibit, directly or indirectly, and of the following transactions incident to travel to or from Cuba by individuals who are citizens or residents of the United States:

''(A) Any transactions ordinarily incident to travel to or from Cuba, including the importation into Cuba or the United States of accompanied baggage for personal use only.

''(B) Any transactions ordinarily incident to travel to or maintenance within Cuba, including the payment of living expenses and the acquisition of goods and services for personal use.

''(C) Any transactions ordinarily incident to the arrangement, promotion, or facilitation of travel to or within Cuba.

''(D) Any transactions ordinarily incident to nonscheduled air, sea, or land voyages, except that this subparagraph does not authorize the carriage of articles into Cuba except accompanied baggage.

''(E) Normal banking transactions incident to the foregoing, including the issuance, clearing, processing, or payment of checks, drafts, travelers checks, credit or debit card instruments, negotiable instruments, or similar instruments.

This paragraph does not authorize the importation into the United States of any goods for personal consumption acquired in Cuba other than those items described in paragraph (4).''

''(6) The authority granted to the President in this subsection does not include the authority to regulate or prohibit, directly or indirectly, travel to Cuba incident to

''(A) activities of scholars;

''(B) other educational or academic activities;

''(C) exchanges in furtherance of any such activities;

''(D) cultural activities and exchanges; or

''(E) public exhibitions or performances by the nationals of one country in another country,

to the extent that any such activities, exchanges, exhibitions, or performances are not otherwise controlled for export under section 5 of the Export Administration Act of 1979 and to the extent that, with respect to such activities, exchanges, exhibitions, or performances, no acts are prohibited by chapter 37 of title 18, U.S. Code.''

(3) FOREIGN ASSISTANCE ACT OF 1961.—Section 620(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(a)) is amended by adding at the end thereof the following:

''(3) Notwithstanding paragraph (1), the authority granted to the President in such paragraph does not include the authority to regulate or prohibit, directly or indirectly, any activities or transactions which amy not be regulated or prohibited under paragraph (5) or (6) of section 5(b) of the Trading With The Enemy Act.''

(4) APPLICABILITY.—The authorities conferred upon the President by section 5(b) of the Trading with the Enemies Act, which were being exercised with respect to a country on July 1, 1977, as a result of a national emergency declared by the President before such date, and are being exercised on the date of the enactment of this Act, do not include the authority to regulate or prohibit, directly or indirectly, any activity which under section 5(b)(5) or (6) of the Trading with the Enemy Act (as added by this Act) may not be regulated or prohibited.

SIMON AMENDMENT NO. 2935

(Ordered to lie on the table.)

Mr. SIMON submitted an amendment intended to be proposed by him to amendment No. 2898 proposed by Mr. DOLE to the bill H.R. 927, supra; as follows:

Strike section 103(d), and insert the following in its stead:

SEC. 103(d). TRAVEL TO CUBA

(1) FREEDOM TO TRAVEL TO CUBA FOR UNITED STATES CITIZENS AND LEGAL RESIDENTS.—Notwithstanding any other provision of law, the President shall not restrict travel to Cuba by United States citizens or legal residents, except in the event that armed hostilities between Cuba and the United States are in progress, or where such travel presents an imminent danger to the public health or the physical safety of United States travelers.

(2) AMENDMENTS TO TRADING WITH THE ENEMY ACT.—Section 5(b) of the Trading With The Enemy Act (50 U.S.C. App. 5(b)) is amended by adding at the end the following new paragraphs:

''(5) The authority granted by the President in this section does not include the authority to regulate or prohibit, directly or indirectly, any of the following transactions incident to travel to or from Cuba by individuals who are citizens or residents of the United States:

''(A) Any transactions ordinarily incident to travel to or from Cuba, including the importation into Cuba or the United States of accompanied baggage for personal use only.

''(B) Any transactions ordinarily incident to travel to or maintenance within Cuba, including the payment of living expenses and the acquisition of goods and services for personal use.

''(C) Any transactions ordinarily incident to the arrangement, promotion, or facilitation of travel to or within Cuba.

''(D) Any transactions ordinarily incident to non-scheduled air, sea, or land voyages, except that this subparagraph does not authorize the carriage of articles into Cuba except accompanied baggage.

''(E) Normal banking transactions incident to the foregoing, including the issuance, clearing, processing, or payment of checks, drafts, travelers checks, credit or debit card instruments, negotiable instruments, or similar instruments.

This paragraph does not authorize the importation into the United States of any goods for personal consumption acquired in Cuba other than those items described in paragraph (4).''

''(6) The authority granted to the President in this subsection does not include the authority to regulate or prohibit, directly or indirectly, travel to Cuba incident to

''(A) activities of scholars;

''(B) other educational or academic activities;

''(C) exchanges in furtherance of any such activities;

''(D) cultural activities and exchanges; or

''(E) public exhibitions or performances by the nationals of one country in another country.

to the extent that any such activities, exchanges, exhibitions, or performances are not otherwise controlled for export under section 5 of the Export Administration Act of 1979 and to the extent that, with respect to such activities, exchanges, exhibitions, or performances, no acts are prohibited by chapter 37 of title 18, United States Code.''

(3) FOREIGN ASSISTANCE ACT OF 1961.—Section 620(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(a)) is amended by adding at the end thereof the following:

''(3) Notwithstanding paragraph (1), the authority granted to the President in such paragraph does not include the authority to regulate or prohibit, directly or indirectly, any activities or transactions which may not be regulated or prohibited under paragraph (5) or (6) of section 5(b) of the Trading With The Enemy Act.''

(4) APPLICABILITY.—The authorities conferred upon the President by section 5(b) of the Trading with the Enemies Act, which were being exercised with respect to a country on July 1, 1977, as a result of a national emergency declared by the President before such date, and are being exercised on the date of the enactment of this Act, do not include the authority to regulate or prohibit, directly or indirectly, any activity which under section 5(b) (5) or (6) of the Trading with the Enemy Act (as added by this Act) may not be regulated or prohibited.

HELMS AMENDMENT NO. 2936

(Ordered to lie on the table.)

Mr. HELMS submitted an amendment intended to be proposed by him to amendment No. 2898 proposed by Mr. DOLE to the bill H.R. 927, supra; as follows:

Strike out all after the first word and insert in lieu thereof the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS

(a) SHORT TITLE.—This Act may be cited as ''Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1995''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short Title; table of contents.
Sec. 2. Findings.
Sec. 3. Purposes.
Sec. 4. Definitions.
TITLE I—STRENGTHENING INTERNATIONAL SANCTIONS AGAINST THE CASTRO GOVERNMENT
Sec. 101. Statement of Policy.
Sec. 102. Authorization of support for democratic and human rights groups and international observers.
Sec. 103. Enforcement of the economic embargo of Cuba.
Sec. 104. Prohibition against indirect financing of Cuba.
Sec. 105. United States opposition to Cuban membership in international financial institutions.
Sec. 106. United States opposition to the termination of the suspension of the Government of Cuba from participation in the Organization of American States.
Sec. 107. Assistance by the independent states of the former Soviet Union for the Government of Cuba.
Sec. 108. Television broadcasting to Cuba.
Sec. 109. Reports on commerce with, and assistance to, Cuba from other foreign countries.
Sec. 110. Reinstitution of family remittances and travel to Cuba.

Sec. 111. News bureaus in Cuba.
Sec. 112. Impact on lawful U.S. government activities.

TITLE II—SUPPORT FOR A FREE AND INDEPENDENT CUBA

Sec. 201. Policy toward a transition government and a democratically elected government in Cuba.
Sec. 202. Assistance for the Cuban people.
Sec. 203. Implementation; reports to Congress.
Sec. 204. Termination of the economic embargo of Cuba.
Sec. 205. Requirements for a transition government.
Sec. 206. Factors for determining a democratically elected government.
Sec. 207. Settlement of outstanding U.S. claims to confiscated property in Cuba.

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) The economy of Cuba has experienced a decline of approximately 60 percent in the last 5 years as a result of—

(A) the reduction in subsidies from the former Soviet Union;

(B) 36 years of Communist tyranny and economic mismanagement by the Castro government;

(C) the precipitous decline in trade between Cuba and the countries of the former Soviet bloc; and

(D) the policy of the Russian Government and the countries of the former Soviet bloc to conduct economic relations with Cuba predominantly on commercial terms.

(2) At the same time, the welfare and health of the Cuban people have substantially deteriorated as a result of Cuba's economic decline and the refusal of the Castro regime to permit free and fair democratic elections in Cuba or to adopt any economic or political reforms that would lead to democracy, a market economy, or an economic recovery.

(3) The repression of the Cuban people, including a ban on free and fair democratic elections and the continuing violation of fundamental human rights, has isolated the Cuban regime as the only nondemocratic government in the Western Hemisphere.

(4) As long as no such economic or political reforms are adopted by the Cuban government, the economic condition of the country and the welfare of the Cuban people will not improve in any significant way.

(5) Fidel Castro has defined democratic pluralism as ''pluralistic garbage'' and has made clear that he has no intention of permitting free and fair democratic elections in Cuba or otherwise tolerating the democratization of Cuban society.

(6) The Castro government, in an attempt to retain absolute political power, continues to utilize, as it has from its inception, torture in various forms (including psychiatric abuse), execution, exile, confiscation, political imprisonment, and other forms of terror and repression as most recently demonstrated by the massacre of more than 40 Cuban men, women, and children attempting to flee Cuba.

(7) The Castro government holds hostage in Cuba innocent Cubans whose relatives have escaped the country.

(8) The Castro government has threatened international peace and security by engaging in acts of armed subversion and terrorism, such as the training and supplying of groups dedicated to international violence.

(9) Over the past 36 years, the Cuban government has posed a national security threat to the United States.

(10) The completion and any operation of a nuclear-powered facility in Cuba, for energy generation or otherwise, poses an unacceptable threat to the national security of the United States.

(11) The unleashing on United States shores of thousands of Cuban refugees fleeing Cuban oppression will be considered an act of aggression.

(12) The Government of Cuba engages in illegal international narcotics trade and harbors fugitives from justice in the United States.

(13) The totalitarian nature of the Castro regime has deprived the Cuban people of any peaceful means to improve their condition and has led thousands of Cuban citizens to risk or lose their lives in dangerous attempts to escape from Cuba to freedom.

(14) Attempts to escape from Cuba and courageous acts of defiance of the Castro regime by Cuban pro-democracy and human rights groups have ensured the international community's continued awareness of, and concern for, the plight of Cuba.

(15) The Cuban people deserve to be assisted in a decisive manner in order to end the tyranny that has oppressed them for 36 years.

(16) Radio Marti and Television Marti have been effective vehicles for providing the people of Cuba with news and information and have helped to bolster the morale of the Cubans living under tyranny.

(17) The consistent policy of the United States towards Cuba since the beginning of the Castro regime, carried out by both Democratic and Republican administrations, has sought to keep faith with the people of Cuba, and has been effective in isolating the totalitarian Castro regime.

SEC. 3. PURPOSES.

The purposes of this Act are—

(1) to assist the Cuban people in regaining their freedom and prosperity, as well as in joining the community of democratic countries that are flourishing in the Western Hemisphere;

(2) to strengthen international sanctions against the Castro government;

(3) to provide for the continued national security of the United States in the face of continuing threats from the Castro government of terrorism, theft of property from United States nationals, and the political manipulation of the desire of Cubans to escape that results in mass migration to the United States;

(4) to encourage the holding of free and fair democratic elections in Cuba, conducted under the supervision of internationally recognized observers;

(5) to provide for a policy framework for United States support to the Cuban people in response to the formation of a transition government or a democratically elected government in Cuba; and

(6) to protect American nationals against confiscatory takings and the wrongful trafficking in property confiscated by the Castro regime.

SEC. 4. DEFINITIONS.

As used in this Act, the following terms have the following meanings:

(1) AGENCY OR INSTRUMENTALITY OF A FOREIGN STATE.—The term ''agency or instrumentality of a foreign state'' has the meaning given that term in section 1603(b) of title 28, United States Code, except as otherwise provided for in this Act under paragraph 4(5).

(2) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ''appropriate congressional committees'' means the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

(3) COMMERCIAL ACTIVITY.—The term ''commercial activity'' has the meaning given that term in section 1603(d) of title 28, United States Code.

(4) CONFISCATED.—The term ''confiscated'' refers to

(A) the nationalization, expropriation, or other seizure by the Cuban government of ownership or control of property, on or after January 1, 1959,—

(i) without the property having been returned or adequate and effective compensation provided; or

(ii) without the claim to the property having been settled pursuant to an international claims settlement agreement or other mutually accepted settlement procedure; and

(B) the repudiation by the Cuban government of, the default by the Cuban government on, or the failure by the Cuban government to pay, on or after January 1, 1959—

(i) a debt of any enterprise which has been nationalized, expropriated, or otherwise taken by the Cuban government,

(ii) a debt which is a charge on property nationalized, expropriated, or otherwise taken by the Cuban government, or

(iii) a debt which was incurred by the Cuban government in satisfaction or settlement of a confiscated property claim.

(5) CUBAN GOVERNMENT.—(A) The terms ''Cuban government'' and ''Government of Cuba'' include the government of any political subdivision of Cuba, and any agency or instrumentality of the Government of Cuba.

(B) For purposes of subparagraph (A), the term ''agency or instrumentality'' is used within the meaning of section 1603(b) of title 28, United States Code.

(6) DEMOCRATICALLY ELECTED GOVERNMENT IN CUBA.—The term ''democratically elected government in Cuba'' means a government that the President has determined as being democratically elected, taking into account the factors listed in section 206.

(7) ECONOMIC EMBARGO OF CUBA.—The term ''economic embargo of Cuba'' refers to the economic embargo imposed against Cuba pursuant to section 620(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(a)), section 5(b) of the Trading With the Enemy Act (50 U.S.C. App. 5 (b)), the International Emergency Economic Powers Act (50 U.S.C. 1701 and following), the Export Administration Act of 1979 (50 U.S.C. App. 2401 and following), as modified by the Cuban Democracy Act of 1992 (22 U.S.C. 6001 and following).

(8) FOREIGN NATIONAL.—The term ''foreign national'' means—

(A) an alien, or

(b) any corporation, trust, partnership, or other juridical entity not organized under the laws of the United States, or of any State, the District of Columbia, or the Commonwealth of Puerto Rico, or any other territory or possession of the United States.

(10) OFFICIAL OF THE CUBAN GOVERNMENT OR THE RULING POLITICAL PARTY IN CUBA.—The term ''official of the Cuban Government or the ruling political party in Cuba'' refers to members of the Council of Ministers, Council of State, central committee of the Cuban Communist Party, the Politburo, or their equivalents.

(11) PROPERTY.—(A) The term ''property'' means any property (including patents, copyrights, trademarks, and any other form of intellectual property), whether real, personal or mixed, and any present, future, or contingent right, security, or other interest therein, including any leasehold interest.

(B) For purposes of title III of this Act, the term ''property'' shall not include real property used for residential purposes, unless, at the time of enactment of this Act—

(i) the claim to the property is held by a United States national and the claim has been certified under title V of the International Claims Settlement Act of 1949; or

(ii) the property is occupied by an official of the Cuban government or the ruling political party in Cuba.

(13) TRANSITION GOVERNMENT IN CUBA.—The term ''transition government in Cuba'' means a government that the President determines as being a transition government consistent with the requirements and factors listed in section 205.

(14) UNITED STATES NATIONAL.—The term ''United States national'' means—

(A) any United States citizen; or

(B) any other legal entity which is organized under the laws of the United States, or of any State, the District of Columbia, or the Commonwealth of Puerto Rico, or any other territory or possession of the United States, and which has its principal place of business in the United States.

TITLE I—STRENGTHENING INTERNATIONAL SANCTIONS AGAINST THE CASTRO GOVERNMENT

SEC. 101. STATEMENT OF POLICY.

It is the sense of the Congress that—

(1) the acts of the Castro government, including its massive, systematic, and extraordinary violations of human rights, are a threat to international peace;

(2) the President should advocate, and should instruct the United States Permanent Representative to the United Nations to propose and seek within the Security Council a mandatory international embargo against the totalitarian government of Cuba pursuant to similar to consultations conducted by United States representatives with respect to Haiti;

(3) any resumption of efforts by any independent state of the former Soviet Union to make operational the nuclear facility at Cienfuegos, Cuba, and the continuation of intelligence activities from Cuba targeted at the United States and its citizens will have a detrimental impact on United States assistance to such state; and

(4) in view of the threat to the national security posed by the operation of any nuclear facility, and the Castro government's continuing blackmail to unleash another wave of Cuban refugees fleeing from Castro's oppression, most of whom find their way to United States shores further depleting limited humanitarian and other resources of the United States, the President should do all in his power to make it clear to the Cuban government that—

(A) the completion and operation of any nuclear power facility, or

(B) any further political manipulation of the desire of Cubans to escape that results in mass migration to the United States,

will be considered an act of aggression which will be met with an appropriate response in order to maintain the security of the national borders of the United States and the health and safety of the American people.

SEC. 102. AUTHORIZATION OF SUPPORT FOR DEMOCRATIC AND HUMAN RIGHTS GROUPS AND INTERNATIONAL OBSERVERS.

(a) AUTHORIZATION.—The President is authorized to furnish assistance to and make available other support for individuals and nongovernmental organizations to support democracy-building efforts in Cuba, including the following:

(1) Published and informational matter, such as books, videos, and cassettes, on transitions to democracy, human rights, and market economies to be made available to independent democratic groups in Cuba.

(2) humanitarian assistance to victims of political repression and their families.

(3) Support for democratic and human rights groups in Cuba.

(4) Support for visits and permanent deployment of independent international human rights monitors in Cuba.

(b) DENIAL OF FUNDS TO THE GOVERNMENT OF CUBA.—In implementing this section, the President shall take all necessary steps to ensure that no funds or other assistance are provided to the Government of Cuba or any of its agencies, entities, or instrumentalities.

(c) SUPERSEDING OTHER LAWS.—Assistance may be provided under this section notwithstanding any other provision of law, except for section 634A of the Foreign Assistance Act of 1961 (22 U.S.C. 2394) and comparable notification requirements contained in sections of the annual foreign operations, export financing, and related programs appropriations Act.

SEC. 103. ENFORCEMENT OF THE ECONOMIC EMBARGO OF CUBA.

(a) POLICY.—(1) The Congress hereby reaffirms section 1704(a) of the Cuban Democracy Act of 1992, which states the President should encourage foreign countries to restrict trade and credit relations with Cuba in a manner consistent with the purposes of that Act.

(2) The Congress further urges the President to take immediate steps to apply the sanctions described in section 1704(b)(1) of such Act against countries assisting Cuba.

(b) DIPLOMATIC EFFORTS.—The Secretary of State should ensure that United States diplomatic personnel abroad understand and, in their contacts with foreign officials are communicating the reasons for the United States economic embargo of Cuba, and are urging foreign governments to cooperate more effectively with the embargo.

(c) EXISTING REGULATIONS.—The President shall instruct the Secretary of the Treasury and the Attorney General to enforce fully the Cuban Assets Control Regulations in part 515 of title 31, Code of Federal Regulations.

(d) TRADING WITH THE ENEMY ACT.—(1) Subsection (b) of section 16 of the Trading With the Enemy Act (50 U.S.C. App. 16(b)), as added by Public Law 102–484, is amended to read as follows:

''(b)(1) A civil penalty of not to exceed $50,000 may be imposed by the Secretary of the Treasury on any person who violates any license, order, rule, or regulation issued in compliance with the provisions of this Act.

''(2) Any property, funds, securities, papers, or other articles or documents, or any vessel, together with its tackle, apparel, furniture, and equipment, that is the subject of a violation under paragraph (1) shall, at the direction of the Secretary of the Treasury, be forfeited to the United States Government.

''(3) The penalties provided under this subsection may be imposed only on the record after opportunity for an agency hearing in accordance with sections 554 through 557 of title 5, United States Code, with the right to prehearing discovery.

''(4) Judicial review of any penalty imposed under this subsection may be had to the extent provided in section 702 of title 5, United States Code''.

(2) Section 16 of the Trading With the Enemy Act is further amended—

(A) by striking subsection (b), as added by Public Law 102–393; and

(B) by striking subsection (c).

(e) COVERAGE OF DEBT-FOR-EQUITY SWAPS UNDER THE ECONOMIC EMBARGO OF CUBA—Section 1704(b)(2) of the Cuban Democracy Act of 1992 (22 U.S.C. 6003(b)(2)) is amended—

(1) by striking ''and'' at the end of subparagraph (A);

(2) by redesignating subparagraph (B) as subparagraph (C); and

(3) by inserting after subparagraph (A) the following new subparagraph:

''(B) includes an exchange, reduction, or forgiveness of Cuban debt owned to a foreign country in return for a grant of an equity interest in a property, investment, or operation of the Government of Cuba or of a Cuban national; and''.

SEC. 104. PROHIBITION AGAINST INDIRECT FINANCING OF CUBA.

(A) PROHIBITION.—Notwithstanding any other provision of law, no loan, credit, or other financing may be extended knowingly by a United States national, a permanent resident alien, or a United States agency to a foreign or United States national for the purpose of financing transactions involving any property confiscated by the Cuban government the claim to which is owned by a United States national as of the date of enactment of this Act, except for financing by the owner of the property or the claim thereto for a permitted transaction.

(b) SUSPENSION AND TERMINATION OF PROHIBITION.—(1) The President is authorized to suspend this prohibition upon a determination pursuant to section 203(a).

(2) The prohibition in subsection (a) shall cease to apply on the date of termination of the economic embargo of Cuba, as provided for in section 204.

(c) PENALTIES.—Violations of subsection (a) shall be punishable by such civil penalties as are applicable to similar violations of the Cuban Assets Control Regulations in part 515 of title 31, Code of Federal Regulations.

SEC. 105. UNITED STATES OPPOSITION OF CUBAN MEMBERSHIP IN INTERNATIONAL FINANCIAL INSTITUTIONS.

(a) CONTINUED OPPOSITION TO CUBAN MEMBERSHIP IN INTERNATIONAL FINANCIAL INSTITUTIONS.—

(1) Except as provided in paragraph (2), the Secretary of the Treasury shall instruct the United States executive director of each international financial institution to use the voice and vote of the United States to oppose the admission of Cuba as a member of such institution until the President submits a determination pursuant to section 203(c).

(2) Once the President submits a determination under section 203(a) that a transition government in Cuba is in power—

(A) the President is encouraged to take steps to support the processing of Cuba's application for membership in any international financial institution, subject to the membership taking effect after a democratically elected government in Cuba is in power, and

(B) the Secretary of the Treasury is authorized to instruct the United States executive director of each international financial institution to support loans or other assistance to Cuba only to the extent that such loans or assistance contribute to a stable foundation for a democratically elected government in Cuba.

(b) REDUCTION IN UNITED STATES PAYMENTS TO INTERNATIONAL FINANCIAL INSTITUTIONS.—If any international financial institution approves a loan or other assistance to the Cuban government over the opposition of the United States, then the Secretary of the Treasury shall withhold from payment to such institution an amount equal to the amount of the loan or other assistance, with respect to each of the following types of payment:

(1) The paid-in portion of the increase in capital stock of the institution.

(2) The callable portion of the increase in capital stock of the institution.

(c) DEFINITION.—For purposes of this section, the term ''international financial institution'' means the International Monetary Fund, the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Multilateral Investment Guaranty Agency, and the Inter-American Development Bank.

SEC. 106. UNITED STATES OPPOSITION TO TERMINATION OF THE SUSPENSION OF THE GOVERNMENT OF CUBA FROM PARTICIPATION IN THE ORGANIZATION OF AMERICAN STATES.

The President should instruct the United States Permanent Representative to the Organization of American States to oppose and vote against any termination of the suspension of the Cuban government from participation in the Organization until the President determines under section 203(c) that a democratically elected government in Cuba is in power.

SEC. 107 ASSISTANCE BY THE INDEPENDENT STATES OF THE FORMER SOVIET UNION FOR THE GOVERNMENT OF CUBA.

(a) REPORTING REQUIREMENT.—Not later than 90 days after the date of enactment of this Act, the President shall submit to the appropriate congressional committees a report detailing progress toward the withdrawal of personnel of any independent state of the former Soviet Union (within the meaning of section 3 of the FREEDOM Support Act (22 U.S.C. 5801)), including advisers, technicians, and military personnel, from the Cienfuegos nuclear facility in Cuba.

(b) CRITERIA FOR ASSISTANCE.—Section 498A(a)(11) of the Foreign Assistance Act of 1961 (22 U.S.C. 2295a(a)(1)) is amended by striking ''of military facilities'' and inserting ''military and intelligence facilities, including the military and intelligence facilities at Lourdes and Cienfuegos,''.

(c) INELIGIBILITY FOR ASSISTANCE.—(1) Section 498A(b) of that Act (22 U.S.C. 2295a(b)) is amended—

(A) by striking ''or'' at the end of paragraph (4);

(B) by redesignating paragraph (5) as paragraph (6); and

(C) by inserting after paragraph (4) the following:

''(5) for the government of any independent state effective 30 days after the President has determined and certified to the appropriate congressional committees (and Congress has not enacted legislation disapproving the determination within the 30-day period) that such government is providing assistance for, or engaging in nonmarket based trade (as defined in section 498B(k)(3)) with, the Government of Cuba; or''.

(2) Subsection (k) of section 498B of that Act (22 U.S.C. 2295b(k)), is amended by adding at the end the following:

''(3) NONMARKET BASED TRADE.—As used in section 498A(b)(5), the term 'nonmarket based trade' includes exports, imports, exchanges, or other arrangements that are provided for goods and services (including oil and other petroleum products) on terms more favorable than those generally available in applicable markets or for comparable commodities, including—

''(A) exports to the Government of Cuba on terms that involve a grant, concessional price, guarantee, insurance, or subsidy;

''(B) imports from the Government of Cuba at preferential tariff rates;

''(C) exchange arrangements that include advance delivery of commodities, arrangements in which the Government of Cuba is not held accountable for unfilled exchange contracts, and arrangements under which Cuba does not pay appropriate transportation, insurance, or finance costs; and

''(D) the exchange, reduction, or forgiveness of Cuban government debt in return for a grant by the Cuban government of an equity interest in a property, investment, or operation of the Government of Cuba or of a Cuban national.

''(4) CUBAN GOVERNMENT.—(A) The term Cuban government includes the government of any political subdivision of Cuba, and any agency or instrumentality of the Government of Cuba.

''(B) For purposes of subparagraphs (A), the term 'agency or instrumentality' is used within the meaning of section 1603(b) of title 28, United States Code.''.

(d) FACILITIES AT LOURDES, CUBA.—(1) The Congress expresses its strong disapproval of the extension by Russia of credits equivalent to $200,000,000 in support of the intelligence facility at Lourdes, Cuba, announced in November 1994.

(2) Section 498A of the Foreign Assistance Act of 1961 (22 U.S.C. 2295a) is amended by adding at the end the following new subsection:

''(d) REDUCTION IN ASSISTANCE FOR SUPPORT OF INTELLIGENCE FACILITIES IN CUBA.—(1) Notwithstanding any other provision of law, the President shall withhold from assistance provided, on or after the date of enactment of this subsection, for an independent state of the former Soviet Union under this Act an amount equal to the sum of assistance and credits, if any, provided on or after such date by such state in support of intelligence facilities in Cuba, including the intelligence facility at Lourdes, Cuba.

''(2)(A) The President may waive the requirement of paragraph (1) to withhold assistance if the President certifies to the appropriate congressional committees that the provision of such assistance is important to the national security of the United States, and, in the case of such a certification made with respect to Russia, if the President certifies that the Russian Government has assured the United States Government that the Russian Government is not sharing intelligence data collected at the Lourdes facility with officials or agents of the Cuban Government.

''(B) At the time of a certification made with respect to Russia pursuant to subparagraph (A), the President shall also submit to the appropriate congressional committees a report describing the intelligence activities of Russia in Cuba, including the purposes for which the Lourdes facility is used by the Russian Government and the extent to which the Russian Government provides payment or government credits to the Cuban Government for the continued use of the Lourdes facility.

''(C) The report required by subparagraph (B) may be submitted in classified form.

''(D) For purposes of this paragraph, the term appropriate congressional committees, includes the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate.

''(3) The requirement of paragraph (1) to withhold assistance shall not apply with respect to—

''(A) assistance to meet urgent humanitarian needs, including disaster and refugee relief;

''(B) democratic political reform and rule of law activities;

''(C) technical assistance for safety upgrades of civilian nuclear power plants;

''(D) the creation of private sector and nongovernmental organizations that are independent of government control;

''(E) the development of a free market economic system; or

''(F) assistance for the purposes described in the Cooperative Threat Reduction Act of 1993 (title XII of Public Law 103–160)''.

SEC. 108. TELEVISION BROADCASTING TO CUBA.

(a) CONVERSION TO UHF.—The Director of the United States Information Agency shall implement a conversion of television broadcasting to Cuba under the Television Marti Service to ultra high frequency (UHF) broadcasting.

(b) PERIODIC REPORTS.—Not later than 45 days after the date of enactment of this Act, and every three months thereafter until the conversion described in subsection (a) is fully implemented, the Director shall submit a report to the appropriate congressional committees on the progress made in carrying out subsection (a).

(c) TERMINATION OF BROADCASTING AUTHORITIES.—Upon transmittal of a determination under section 203(c), the Television Broadcasting to Cuba Act (22 U.S.C. 1465aa et seq.) and the Radio Broadcasting to Cuba Act (22 U.S.C. 1465 et seq.) are repealed.

SEC. 109. REPORTS ON COMMERCE WITH, AND ASSISTANCE TO, CUBA FROM OTHER FOREIGN COUNTRIES.

(a) REPORTS REQUIRED.—Not later than 90 days after the date of enactment of this Act, and by January 1 each year thereafter until the President submits a determination under section 203(a), the President shall submit a report to the appropriate congressional committees on commerce with, and assistance to, Cuba from other foreign countries during the preceding 12-month period.

(b) CONTENTS OF REPORTS.—Each report required by subsection (a) shall, for the period covered by the report, contain the following, to the extent such information is available—

(1) a description of all bilateral assistance provided to Cuba by other foreign countries, including humanitarian assistance;

(2) a description of Cuba's commerce with foreign countries, including an identification of Cuba's trading partners and the extent of such trade;

(3) a description of the joint ventures completed, or under consideration, by foreign nationals and business firms involving facilities in Cuba, including an identification of the location of the facilities involved and a description of the terms of agreement of the joint ventures and the names of the parties that are involved;

(4) a determination as to whether or not any of the facilities described in paragraph (3) is the subject of a claim against Cuba by a United States national;

(5) a determination of the amount of Cuban debt owed to each foreign country, including—

(A) the amount of debt exchanged, forgiven, or reduced under the terms of each investment or operation in Cuba involving foreign nationals or businesses; and

(B) the amount of debt owed the foreign country that has been exchanged, reduced, or forgiven in return for a grant by the Cuban government of an equity interest in a property, investment, or operation of the Government of Cuba or of a Cuban national;

(6) a description of the steps taken to assure that raw materials and semifinished or finished goods produced by facilities in Cuba involving foreign nationals or businesses do not enter the United States market, either directly or through third countries or parties; and

(7) an identification of countries that purchase, or have purchased, arms or military supplies from Cuba or that otherwise have entered into agreements with Cuba that have a military application, including—

(A) a description of the military supplies, equipment, or other material sold, bartered, or exchanged between Cuba and such countries,

(B) a listing of the goods, services, credits, or other consideration received by Cuba in exchange for military supplies, equipment, or material, and

(C) the terms or conditions of any such agreement.

SEC. 110. IMPORTATION SAFEGUARD AGAINST CERTAIN CUBAN PRODUCTS.

(a) STATEMENT OF POLICY.—(1) The Congress notes that section 515.204 of title 31,

Code of Federal Regulations, prohibits the entry of, and dealings outside the United States in, merchandise that—

(A) is of Cuban origin,

(B) is or has been located in or transported from or through Cuba, or

(C) is made or derived in whole or in part of any article which is the growth, produce, or manufacture of Cuba.

(2) The Congress notes that United States accession to the North American Free Trade Agreement does not modify or alter the United States sanctions against Cuba, noting that the statement of administrative action accompanying that trade agreement specifically states the following:

(A) ''The NAFTA rules of origin will not in any way diminish the Cuban sanctions program. . . . Nothing in the NAFTA would operate to override this prohibition.''.

(B) ''Article 309(3) [of the NAFTA] permits the United States to ensure that Cuban products or goods made from Cuban materials are not imported into the United States from Mexico or Canada and that United States products are not exported to Cuba through those countries.''.

(3) The Congress notes that section 902(c) of the Food Security Act of 1985 (Public Law 99–198) required the President not to allocate any of the sugar import quota to a country that is a net importer of sugar unless appropriate officials of that country verify to the President that the country does not import for reexport to the United States any sugar produced in Cuba.

(4) Protection of essential security interests of the United States requires enhanced assurances that sugar products that are entered are not products of Cuba.

SEC. 111. REINSTITUTION OF FAMILY REMITTANCES AND TRAVEL TO CUBA.

It is the sense of Congress that the President should, before considering the reinstitution of general licensure for—

(1) family remittances to Cuba—

(A) insist that, prior to such reinstitution, the government of Cuba permit the unfettered operation of small businesses fully endowed with the right to hire others to whom they may pay wages, buy materials necessary in the operation of the business and such other authority and freedom required to foster the operation of small businesses throughout the island, and

(B) require a specific license for remittance above $500; and

(2) travel to Cuba by U.S. resident family members of Cuban nationals resident in Cuba itself insist on such actions by the Government of Cuba as abrogation of the sanction for refugee departure from the island, release of political prisoners, recognition of the right of association and other fundamental freedoms.

SEC. 112. NEWS BUREAU IN CUBA.

(a) ESTABLISHMENT OF NEWS BUREAUS.—The President is authorized to establish and implement an exchange of news bureaus between the United States and Cuba, if—

(1) the exchange is fully reciprocal;

(2) the Cuban Government allows free, unrestricted, and uninhibited movement in Cuba of journalists of any United States-based news organizations;

(3) the Cuban Government agrees not to interfere with the news-gathering activities of individuals assigned to work as journalists in the news bureaus in Cuba of United States-based news organizations;

(4) the United States Government is able to ensure that only accredited journalists regularly employed with a news gathering organization avail themselves of the general license to travel to Cuba; and

(5) the Cuban Government agrees not to interfere with the transmission of telecommunications signals of news bureaus or with the distribution within Cuba of any United States-based news organization that has a news bureau in Cuba.

(b) ASSURANCE AGAINST ESPIONAGE.—In implementing this section the President shall take all necessary steps to assure the safety and security of the United States against espionage by Cuban journalists it believes to be working for the intelligence agencies of the Cuban Government.

(c) FULLY RECIPROCAL.—It is the sense of Congress that the term ''fully reciprocal'' means that all news services, news organizations, and broadcasting services, including such services or organizations that receive financing, assistance or other support from a governmental or official source, are permitted to establish and operate a news bureau in each nation.

SEC. 113. IMPACT ON LAWFUL U.S. GOVERNMENT ACTIVITIES

Nothing in this Act shall prohibit any lawfully authorized investigative, protective, or intelligence activity of a law enforcement agency or of an intelligence agency of the United States.

TITLE II—SUPPORT FOR A FREE AND INDEPENDENT CUBA

SEC. 201. POLICY TOWARD A TRANSITION GOVERNMENT AND A DEMOCRATICALLY ELECTED GOVERNMENT IN CUBA.

It is the policy of the United States—

(1) to support the self-determination of the Cuban people;

(2) to facilitate a peaceful transition to representative democracy and a free market economy in Cuba;

(3) to be impartial toward any individual or entity in the selection by the Cuban people of their future government;

(4) to enter into negotiations with a democratically elected government in Cuba regarding the status of the United States Naval Base at Guantanamo Bay;

(5) to consider the restoration of diplomatic relations with Cuba and support the reintegration of the Cuban government into of the Inter-American System after a transition government in Cuba comes to power and at such a time as will facilitate the rapid transition to a democratic government;

(6) to remove the economic embargo of Cuba when the President determines that there exists a democratically elected government in Cuba; and

(7) to pursue a mutually beneficial trading relationship with a democratic Cuba.

SEC. 202. ASSISTANCE FOR THE CUBAN PEOPLE.

(a) AUTHORIZATION.—

(1) IN GENERAL.—The President may provide assistance under this section for the Cuban people after a transition government, or a democratically elected government, is in power in Cuba, subject to subsections 203 (a) and (c).

(2) EFFECT ON OTHER LAWS.—Subject to section 203, the President is authorized to provide such forms of assistance to Cuba as are provided for in subsection (b), notwithstanding any other provision of law, except for—

(A) this Act;

(B) section 620(a)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(a)(2)); and

(C) section 634A of the Foreign Assistance Act of 1961 (22 U.S.C. 2394) and comparable notification requirements contained in sections of the annual foreign operations, export financing, and related programs appropriations Act.

(b) RESPONSE PLAN.—

(1) DEVELOPMENT OF PLAN.—The President shall develop a plan detailing, to the extent possible, the manner in which the United States would provide and implement support for the Cuban people in response to the formation of—

(A) a transition government in Cuba; and

(B) a democratically elected government in Cuba.

(2) TYPES OF ASSISTANCE.—Support for the Cuban people under the plan described in paragraph (1) shall include the following types of assistance:

(A) TRANSITION GOVERNMENT.—(i) The plan developed under paragraph (1)(A) for assistance to a transition government in Cuba shall be limited to such food, medicine, medical supplies and equipment, and other assistance as may be necessary to meet the basic human needs of the Cuban people.

(ii) When a transition government in Cuba is in power, the President is encouraged to remove or modify restrictions that may exist on—

(I) remittances by individuals to their relatives of cash or humanitarian items, and

(II) on freedom to travel to visit Cuba other than that the provision of such services and costs in connection with such travel shall be internationally competitive.

(iii) Upon transmittal to Congress of a determination under section 203(a) that a transition government in Cuba is in power, the President should take such other steps as will encourage renewed investment in Cuba to contribute to a stable foundation for a democratically elected government in Cuba.

(B) DEMOCRATICALLY ELECTED GOVERNMENT.—(i) The plan developed under paragraph (1)(B) for assistance for a democratically elected government in Cuba should consist of assistance to promote free market development, private enterprise, and a mutually beneficial trade relationship between the United States and Cuba. Such assistance should include—

(I) financing, guarantees, and other assistance provided by the Export-Import Bank of the United States;

(II) insurance, guarantees, and other assistance provided by the Overseas Private Investment Corporation for investment projects in Cuba;

(III) assistance provided by the Trade and Development Agency;

(IV) international narcotics control assistance provided under chapter 8 of part I of the Foreign Assistance Act of 1961; and

(V) Peace Corps activities.

(c) INTERNATIONAL EFFORTS.—The President is encouraged to take the necessary steps—

(1) to seek to obtain the agreement of other countries and multinational organizations to provide assistance to a transition government in Cuba and to a democratically elected government in Cuba; and

(2) to work with such countries, institutions, and organizations to coordinate all such assistance programs.

(d) REPORT ON TRADE AND INVESTMENT RELATIONS.—

(1) REPORT TO CONGRESS.—The President, following the transmittal to the Congress of a determination under section 203(c) that a democratically elected government in Cuba is in power, shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate and other appropriate congressional committees a report that describes—

(A) acts, policies, and practices which constitute significant barriers to, or distortions of, United States trade in goods or services or foreign direct investment with respect to Cuba;

(B) policy objectives of the United States regarding trade relations with democratically elected government in Cuba, and the reasons therefor, including possible—

(i) reciprocal extension of nondiscriminatory trade treatment (most-favored-nation treatment);

(ii) designation of Cuba as a beneficiary developing country under title V of the Trade

Act of 1974 (relating to the Generalized System of Preferences) or as a beneficiary country under the Caribbean Basin Economic Recovery Act, and the implications of such designation with respect to trade and any other country that is such a beneficiary developing country or beneficiary country or is a party to the North American Free Trade Agreement; and

(iii) negotiations regarding free trade, including the accession of Cuba to the North American Free Trade Agreement;

(C) specific trade negotiating objectives of the United States with respect to Cuba, including the objectives described in section 108(b)(5) of the North American Free Trade Agreement Implementation Act; and

(D) actions proposed or anticipated to be undertaken, and any proposed legislation necessary or appropriate, to achieve any of such policy and negotiating objectives.

(2) CONSULTATION.—The President shall consult with the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate and other appropriate congressional committees and shall seek advice from the appropriate advisory committees established under section 135 of the Trade Act of 1974 regarding the policy and negotiating objectives and the legislative proposals described in paragraph (1).

(e) COMMUNICATION WITH THE CUBAN PEOPLE.—The President is encouraged to take the necessary steps to communicate to the Cuban people the plan developed under this section.

(f) REPORTS TO CONGRESS.—Not later than 180 days after the date of the enactment of this Act, the President shall transmit to the appropriate congressional committees a report describing in detail the plan developed under this section.

SEC. 203. IMPLEMENTATION; REPORTS TO CONGRESS.

(a) IMPLEMENTATION WITH RESPECT TO TRANSITION GOVERNMENT.—Upon making a determination, consistent with the requirements and factors in section 205, that a transition government in Cuba is in power, the President shall transmit that determination to the appropriate congressional committees and should, subject to the authorization of appropriations and the availability of appropriations, commence to provide assistance pursuant to section 202(b)(2)(A).

(b) REPORTS TO CONGRESS.—(1) The President shall transmit to the appropriate congressional committees a report setting forth the strategy for providing assistance authorized under section 202(b)(2)(A) to the transition government in Cuba, the types of such assistance, and the extent to which such assistance has been distributed.

(2) The President shall transmit the report not later than 90 days after making the determination referred to in paragraph (1), except that the President shall consult regularly with the appropriate congressional committees regarding the development of the plan.

(c) IMPLEMENTATION WITH RESPECT TO DEMOCRATICALLY ELECTED GOVERNMENT.—Upon making a determination, consistent with section 206, that a democratically elected government in Cuba is in power, the President shall transmit that determination to the appropriate congressional committees and should, subject to the authorization of appropriations and the availability of appropriations, commence to provide such forms of assistance as may be included in the plan for assistance pursuant to section 202(b)(2)(B).

(d) ANNUAL REPORTS TO CONGRESS.—Once the President has transmitted a determination referred to in either subsection (a) or (c), the President shall, not later than 60 days after the end of each fiscal year, transmit to the appropriate congressional committees a report on the assistance to Cuba authorized under section 202, including a description of each type of assistance, the amounts expended for such assistance, and a description of the assistance to be provided under the plan in the current fiscal year.

SEC. 204. TERMINATION OF THE ECONOMIC EMBARGO OF CUBA.

(a) PRESIDENTIAL ACTIONS.—Upon submitting a determination to the appropriate congressional committees under section 203(a) that a transition government in Cuba is in power, the President, after consulting with the Congress, is authorized to take steps to suspend the economic embargo on Cuba and to suspend application of the right of action created in section 302 as to actions thereafter filed against the Government of Cuba, to the extent that such action contributes to a stable foundation for a democratically elected government in Cuba.

(b) SUSPENSION OF CERTAIN PROVISIONS OF LAW.—In carrying out subsection (a), the President may suspend the enforcement of—

(1) section 620(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(a));

(2) section 620(f) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(f)) with regard to the ''Republic of Cuba'';

(3) sections 1704, 1705(d), and 1706 of the Cuban Democracy Act (22 U.S.C. 6003, 6004(d), and 6005);

(4) section 902(c) of the Food Security Act of 1985; and

(5) the prohibitions on transactions described in part 515 of the title 31, Code of Federal Regulations.

(c) ADDITIONAL PRESIDENTIAL ACTIONS.—Upon submitting a determination to the appropriate congressional committees under section 203(c) that a democratically elected government in Cuba is in power, the President shall take steps to terminate the economic embargo of Cuba.

(d) CONFORMING AMENDMENTS.—On the date on which the President submits a determination under section 203(c)—

(1) section 620(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(a)) is repealed;

(2) section 620(f) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(f)) is amended by striking ''Republic of Cuba'';

(3) sections 1704, 1705(d), and 1706 of the Cuban Democracy Act (22 U.S.C. 6003, 6004(d), 6005) are repealed; and

(4) section 902(c) of the Food Security Act of 1985 is repealed.

(e) REVIEW OF SUSPENSION OF ECONOMIC EMBARGO.—

(1) REVIEW.—If the President takes action under subsection (a) to suspend the economic embargo of Cuba, the President shall immediately so notify the Congress. The President shall report to the Congress no less frequently than every 6 months thereafter, until he submits a determination under section 203(c) that a democratically elected government in Cuba is in power, on the progress being made by Cuba toward the establishment of such a democratically elected government. The action of the President under subsection (a) shall cease to be effective upon the enactment of a joint resolution described in paragraph (2).

(2) JOINT RESOLUTIONS.—For purposes of this subsection, the term ''joint resolution'' means only a joint resolution of the 2 Houses of Congress, the matter after the resolving clause of which is as follows: ''That the Congress disapproves the action of the President under section 204(a) of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1995 to suspend the economic embargo of Cuba, notice of which was submitted to the Congress on .'', with the blank space being filled with the appropriate date.

(3) REFERRAL TO COMMITTEES.—Joint resolutions introduced in the House of Representatives shall be referred to the Committee on International Relations and joint resolutions introduced in the Senate shall be referred to the Committee on Foreign Relations.

(4) PROCEDURE.—(A) Any joint resolution shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

(B) For the purpose of expediting the consideration and enactment of joint resolutions, a motion to proceed to the consideration of any joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.

(C) Not more than 1 joint resolution may be considered in the House of Representatives and the Senate in the 6-month period beginning on the date on which the President notifies the Congress under paragraph (1) of the action taken under subsection (a), and in each 6-month period thereafter.

SEC. 205. REQUIREMENTS FOR A TRANSITION GOVERNMENT.

(a) A determination under section 203(a) that a transition government in Cuba is in power shall not be made unless that government has taken the following actions—

(1) legalized all political activity;

(2) released all political prisoners and allowed for investigations of Cuban prisons by appropriate international human rights organizations;

(3) dissolved the present Department of State Security in the Cuban Ministry of the Interior, including the Committees for the Defense of the Revolution and the Rapid Response Brigades; and

(4) has committed to organizing free and fair elections for a new government—

(i) to be held in a timely manner within 2 years after the transition government assumes power;

(ii) with the participation of multiple independent political parties that have full access to the media on an equal basis, including (in the case of radio, television, or other telecommunications media) in terms of allotments of time for such access and the times of day such allotments are given; and

(iii) to be conducted under the supervision of internationally recognized observers, such as the Organization of American States, the United Nations, and other election monitors;

(b) In addition to the requirements in subsection (a), in determining whether a transition government is in power in Cuba, the President shall take into account the extent to which that government—

(1) is demonstrably in transition from communist totalitarian dictatorship to representative democracy;

(2) has publicly committed itself to, and is making demonstrable progress in—

(A) establishing an independent judiciary;

(B) respecting internationally recognized human rights and basic freedoms as set forth in the Universal Declaration of Human Rights;

(C) effectively guaranteeing the rights of free speech and freedom of the press, including granting permits to privately owned media and telecommunications companies to operate in Cuba;

(D) permitting the reinstatement of citizenship to Cuban-born nationals returning to Cuba;

(E) assuring the right to private property; and

(F) allowing the establishment of independent trade unions as set forth in conventions 87 and 98 of the International Labor Organization, and allowing the establishment of independent social, economic, and political associations;

(3) has ceased any interference with broadcasts by Radio Marti or the Television Marti Service;

(4) has given adequate assurances that it will allow the speedy and efficient distribution of assistance to the Cuban people; and

(5) permits the deployment throughout Cuba of independent and unfettered international human rights monitors.

SEC. 206. FACTORS FOR DETERMINING A DEMOCRATICALLY ELECTED GOVERNMENT.

For purposes of determining under section 203(c) of this Act whether a democratically elected government in Cuba is in power, the President shall take into account whether, and the extent to which, that government—

(1) results from free and fair elections—

(A) conducted under the supervision of internationally recognized observers; and

(B) in which opposition parties were permitted ample time to organize and campaign for such elections, and in which all candidates in the elections were permitted full access to the media;

(2) is showing respect for the basic civil liberties and human rights of the citizens of Cuba;

(3) is substantially moving toward a market-oriented economic system based on the right to own and enjoy property;

(4) is committed to making constitutional changes that would ensure regular free and fair elections and the full enjoyment of basic civil liberties and human rights by the citizens of Cuba; and

(5) is continuing to comply with the requirements of section 205.

SEC. 207. SETTLEMENT OF OUTSTANDING U.S. CLAIMS TO CONFISCATED PROPERTY IN CUBA.

(a) SUPPORT FOR A TRANSITION GOVERNMENT.—Notwithstanding any other provision of this Act—

(1) no assistance may be provided under the authority of this Act to a transition government in Cuba, and

(2) the Secretary of the Treasury shall instruct the United States executive director of each international financial institution to vote against any loan or other utilization of the funds of such bank or institution for the benefit of a transition government in Cuba, except for assistance to meet the emergency humanitarian needs of the Cuban people.

unless the President determines and certifies to Congress that such a government has publicly committed itself, and is taking appropriate steps, to establish a procedure under its law or through international arbitration to provide for the return of, or prompt, adequate, and effective compensation for, property confiscated by the Government of Cuba on or after January 1, 1959, from any person or entity that is a United States national who is described in section 620(a)(2) of the Foreign Assistance Act of 1961.

(b) SUPPORT FOR A DEMOCRATICALLY ELECTED GOVERNMENT.—Notwithstanding any other provision of this Act—

(1) no assistance may be provided under the authority of this Act to a democratically elected government in Cuba, and

(2) the Secretary of the Treasury shall instruct the United States executive director of each international financial institution to vote against any loan or other utilization of the funds of such bank or institution for the benefit of a democratically elected government in Cuba.

unless the President determines and certifies to Congress that such a government has adopted and is effectively implementing a procedure under its law or through international arbitration to provide for the return of, or prompt, adequate, and effective compensation for, property confiscated by the Government of Cuba on or after January 1, 1959, from any person or entity that is a United States national who is described in section 620(a)(2) of the Foreign Assistance Act of 1961.

(c) REPORT TO CONGRESS.—Not later than 180 days after the date of enactment of this Act, the Secretary of State shall provide a report to the appropriate congressional committees containing an assessment of the property dispute question in Cuba, including—

(1) an estimate of the number and amount of claims to property confiscated by the Cuban government held by United States nationals beyond those certified under section 507 of the International Claims Settlement Act of 1949,

(2) an assessment of the significance of promptly resolving confiscated property claims to the revitalization of the Cuban economy,

(3) a review and evaluation of technical and other assistance that the United States could provide to help either a transition government in Cuba or a democratically elected government in Cuba establish mechanisms to resolve property questions,

(4) an assessment of the role and types of support the United States could provide to help resolve claims to property confiscated by the Cuban government held by United States nationals who did not receive or qualify for certification under section 507 of the International Claims Settlement Act of 1949, and

(5) an assessment of any areas requiring legislative review or action regarding the resolution of property claims in Cuba prior to a change of government in Cuba.

(d) SENSE OF CONGRESS.—It is the sense of the Congress that the satisfactory resolution of property claims by a Cuban government recognized by the United States remains an essential condition for the full resumption of economic and diplomatic relations between the United States and Cuba.

(e) WAIVER.—The President may waive the prohibitions in subsections (a) and (b) if the President determines and certifies to the Congress that it is in the vital national interest of the United States to provide assistance to contribute to the stable foundation for a democratically elected government in Cuba.

HELMS AMENDMENT NO. 2937

(Ordered to lie on the table.)

Mr. HELMS submitted an amendment intended to be proposed by him to amendment No. 2898 proposed by Mr. DOLE to the bill H.R. 927, supra; as follows:

TITLE III—PROTECTION OF PROPERTY RIGHTS OF UNITED STATES NATIONALS AGAINST CONFISCATORY TAKINGS BY THE CASTRO REGIME

SEC. 301. STATEMENT OF POLICY.

The Congress makes the following findings:

(1) Individuals enjoy a fundamental right to own and enjoy property which is enshrined in the United States Constitution.

(2) The wrongful confiscation or taking of property belonging to United States nationals by the Cuban government, and the subsequent exploitation of this property at the expense of the rightful owner, undermines the comity of nations, the free flow of commerce, and economic development.

(3) Since Fidel Castro seized power in Cuba in 1959—

(A) he has trampled on the fundamental rights of the Cuban people, and

(B) through his personal despotism, he has confiscated the property of—

(i) millions of his own citizens,

(ii) thousands of United States nationals, and

(iii) thousands more Cubans who claimed asylum in the United States as refugees because of persecution and later became naturalized citizens of the United States.

(4) It is in the interest of the Cuban people that the government of Cuba respect equally the property rights of Cuban and foreign nationals.

(5) The Cuban government is offering foreign investors the opportunity to purchase an equity interest in, manage, or enter into joint ventures with property and assets some of which were confiscated from United States nationals.

(6) This ''trafficking'' in confiscated property provides badly needed financial benefit, including hard currency, oil and productive investment and expertise, to the current government of Cuba and thus undermines the foreign policy of the United States—

(A) to bring democratic institutions to Cuba through the pressure of a general economic embargo at a time when the Castro regime has proven to be vulnerable to international economic pressure, and

(B) to protect the claims of United States nationals who had property wrongfully confiscated by the Cuban government.

(7) The U.S. State Department has notified other governments that the transfer of properties confiscated by the Cuban government to third parties ''would complicate any attempt to return them to their original owners''.

(8) The international judicial system, as currently structured, lacks fully effective remedies for the wrongful confiscation of property and for unjust enrichment from the use of wrongfully confiscated property by governments and private entities at the expense of the rightful owners of the property.

(9) International law recognizes that a nation has the ability to provide for rules of law with respect to ''conduct outside its territory that has or is intended to have substantial effect within its territory''.

(10) The United States Government has an obligation to its citizens to provide protection against wrongful confiscations by foreign nations and their citizens, including the provision of private remedies.

(11) To deter trafficking in wrongfully confiscated property, United States nationals who were the victims of these confiscations should be endowed with a judicial remedy in the courts of the United States that would deny traffickers any profits from economically exploiting Castro's wrongful seizures.

SEC. 302. LIABILITY FOR TRAFFICKING IN CONFISCATED PROPERTY CLAIMED BY UNITED STATES NATIONALS.

(a) CIVIL REMEDY.—(1) LIABILITY OF TRAFFICKING.—(A) Except as otherwise provided in this section, any person or entity, including any agency or instrumentality of a foreign state in the conduct of a commercial activity, that after the end of the 6-month period beginning on the date of enactment of this Act traffics in property which was confiscated by the Government of Cuba on or after January 1, 1959, shall be liable to the United States national who owns the claim to such property for money damages in an amount equal to the sum of—

(i) the amount which is the greater of—

(I) the amount, if any, certified to the claimant by the Foreign Claims Settlement Commission under the International Claims Settlement Act of 1949, plus interest;

(II) the amount determined under section 303(a)(2), plus interest; or

(III) the fair market value of that property, calculated as being the then current value of the property, or the value of the property when confiscated plus interest, whichever is greater; and

(ii) reasonable court costs and attorneys' fees.

(B) Interest under subparagraph (A)(I) shall be at the rate set forth in section 1961 of title 28, United States Code, computed by the court from the date of confiscation of the property involved to the date on which the action is brought under this subsection.

(2) PRESUMPTION IN FAVOR OF THE CERTIFIED CLAIMS.—There shall be a presumption that the amount for which a person or entity, including any agency or instrumentality of a foreign state in the conduct of a commercial activity, is liable under clause (i) of paragraph (1)(A) is the amount that is certified under subclause (I) of that clause. The presumption shall be rebuttable by clear and convincing evidence that the amount described in subclause (II) or (III) of that clause is the appropriate amount of liability under that clause.

(3) REQUIREMENT FOR PRIOR NOTICE AND INCREASED LIABILITY FOR SUBSEQUENT ADDITIONAL NOTICE.—(A) Following the conclusion of 180 days after the date of enactment of this Act but at least 30 days prior to instituting suit hereunder, notice of intention to institute a suit pursuant to this section must be served on each intended party or, in the case of ongoing intention to add any party to ongoing litigation hereunder, to each such additional party.

(B) Except as provided in this section, any person or entity, including any agency or instrumentality of a foreign state in the conduct of a commercial activity, that traffics in confiscated property after having received—

(i) a subsequent additional notice of a claim to ownership of the property by the United States national who owns the claim to the confiscated property, and

(ii) notice of the provisions of this section, shall be liable to that United States national for money damages in an amount which is the sum of the amount equal to the amount determined under paragraph (1)(A)(ii), plus triple the amount determined applicable under subclause (I), (II), or (III) of paragraph (1)(A)(I).

(C) For purposes of this section, any person or entity, including any agency or instrumentality of a foreign state, shall be deemed to have received the notices described in subsections (B)(I) and (ii) with respect to any claim certified prior to the effective date hereof by the Foreign claims Settlement Commission.

(4) APPLICABILITY.—(A) Except as otherwise provided in this paragraph, actions may be brought under paragraph (1) with respect to property confiscated before, on, or after the date of enactment of this Act.

(B) In the case of property confiscated by the Government of Cuba before the date of enactment of this title, no United States national may bring an action under this section unless such national acquired ownership of the claim to the confiscated property before such date of enactment.

(C) In the case of property confiscated on or after the date of the enactment of this Act, no United States national who acquired ownership of a claim to confiscated property by assignment for value after such date of enactment may bring an action on the claim under this section.

(5) TREATMENT OF CERTAIN ACTIONS.—(A) A United States national who was eligible to file the underlying claim in the action with the Foreign Claims Settlement Commission under title V of the International Claims Settlement Act of 1949 but did not so file the claim may not bring an action under this section.

(B) In the case of any action brought under this section by a United States national whose underlying claim in the action was timely filed with the Foreign Claims Settlement Commission under title V of the International Claims Settlement Act of 1949 but was denied by the Commission, the court shall accept the findings of the Commission on the claim as conclusive in the action under this section.

(6) INAPPLICABILITY OF ACT OF STATE DOCTRINE.—No court of the United States shall decline, based upon the act of state doctrine, to make a determination on the merits in an action brought under paragraph (1).

(7) Notwithstanding any other provision of law, an action under this section may be brought and may be settled, and a judgment rendered in such action may be enforced, without the necessity of obtaining any license or other permission from any agency of the United States, except that this subsection shall not apply to the execution of a judgment against or the settlement of actions involving property blocked under the authority of the Trading with the Enemy Act (Appendix to title 50, United States Code, sections 1 through 44).

(8) Notwithstanding any other provision of law, any claim against the Government of Cuba shall not be deemed an interest in property the transfer of which required or requires a license or permission of any agency of the United States.

(b) AMOUNT IN CONTROVERSY.—An action may be brought under this section by a United States national only where the matter in controversy exceeds the sum or value of $50,000 exclusive of costs and attorneys' fees, exclusive of interest under sections 302(a)(I), (II), and (III), and exclusive of any additional sums under section 302(a)(3)(B).

(c) SERVICE OF PROCESS.—(1) Service of process shall be effected against an agency or instrumentality of a foreign state in the conduct of a commercial activity, or against individuals acting under color of law in conformity with section 1608 of title 28, United States Code, except as provided by paragraph (3) of this subsection.

(2) Service of process shall be effected against all parties not included under the terms of paragraph (1) in conformity with section 1331 of title 28, United States Code.

(3) For all actions brought under section 302 of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1995, no judgment by default shall be entered by a court of the United States against the government of Cuba, its political subdivision, or its agencies or instrumentalities, unless a government recognized by the United States in Cuba and with which it has diplomatic relations is given the opportunity to cure and be heard thereon and the claimant establishes his claim or right to relief by evidence satisfactory to the court.

(d) CERTAIN PROPERTY IMMUNE FROM EXECUTION.—Section 1611 of title 28, United States Code, is amended by adding at the end of the following:

''(c) Notwithstanding the provisions of section 1610 of this chapter, the property of a foreign state shall be immune from attachment and from execution in an action brought under section 1605(7) to the extent the property is a facility or installation used by an accredited diplomatic mission for official purposes.''.

(e) ELECTION OF REMEDIES.—

(1) ELECTION.—Subject to paragraph (2), and except for an action or proceeding commenced prior to enactment of this Act—

(A) any United States national that brings an action under this section may not bring any other civil action or proceeding under the common law, Federal law, or the law of any of the several states, the District of Columbia, or any territory or possession of the United States that seeks monetary or nonmonetary compensation by reason of the same subject matter; and

(B) any person who brings, under the common law or any provision of law other than this section, a civil action or proceeding for monetary or nonmonetary compensation arising out of a claim for which an action would otherwise be cognizable under this section may not bring an action under this section on that claim.

(2) TREATMENT OF CERTIFIED CLAIMANTS.—In the case of any United States national that brings an action under this section based on a claim certified under title V of the International Claims Settlement Act of 1949—

(A) if the recovery in the action is equal to or greater than the amount of the certified claim, the United States national may not receive payment on the claim under any agreement entered into between the United States and Cuba settling claims covered by such title, and such national shall be deemed to have discharged the United States from any further responsibility to represent the United States national with respect to that claim;

(B) If the recovery in the action is less than the amount of the certified claim, the United States national may receive payment under a claims agreement described in subparagraph (A) but only to the extent of the difference between the amount of the recovery and the amount of the certified claim; and

(C) If there is no recovery in the action, the United States national may receive payment on the certified claim under a claims agreement described in subparagraph (A) to the same extent as any certified claimant who does not bring an action under this section.

(D) In the event some or all actions or claims filed under this section are consolidated by judicial or other action in such manner as to create a pool of assets available to satisfy such claims, including a pool of assets in a proceeding in bankruptcy, every certified claimant who filed such an action or claim which is consolidated in such manner with other claims shall be entitled to payment in full of its claim from the assets in such pool prior to any payment from the assets in such pool with respect to any claim not certified by the Foreign Claims Settlement Commission.

(f) DEPOSIT OF EXCESS PAYMENTS BY CUBA UNDER CLAIM AGREEMENT.—Any amounts paid by Cuba under any agreement entered into between the United States and Cuba settling certified claims under title V of the International Claims Settlement Act of 1949 that are in excess of the payments made on such certified claims after the application of subsection (e) shall be deposited into the United States Treasury.

(g) TERMINATION OF RIGHTS.—(1) All rights created under this section to bring an action for money damages with respect to property confiscated by the Government of Cuba before the date of enactment of this Act shall cease upon transmittal to the Congress of a determination of the President under section 203(c).

(2) The termination of rights under paragraph (1) shall not affect suits commenced before the date of such termination, and in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this subsection had not been enacted.

SEC. 303. PROOF OF OWNERSHIP OF CLAIMS TO CONFISCATED PROPERTY.

(a) EVIDENCE OF OWNERSHIP.—(1) In any action brought under this Act, the courts shall accept as conclusive proof of ownership a certification of a claim to ownership that has been made by the Foreign Claims Settlement Commission pursuant to title V of the International Claims Settlement Act of 1949 (22 U.S.C. 1643 and following).

(2) In the case of a claim that has not been certified by the Foreign Claims Settlement Commission before the enactment of this Act, a court may appoint a Special Master, including the Foreign Claims Settlement Commission, to make determinations regarding the amount and ownership of claims to ownership of confiscated property by the Government of Cuba. Such determinations are only for evidentiary purposes in civil actions brought under this Act and do not constitute certifications pursuant to title V of the International Claims Settlement Act of 1949.

(3) In determining ownership, courts shall not accept as conclusive evidence of ownership any findings, orders, judgments, or decrees from administrative agencies or courts of foreign countries or international organizations that invalidate the claim held by a United States national, unless the invalidation was found pursuant to binding international arbitration to which United States submitted the claim.

(b) AMENDMENT OF THE INTERNATIONAL CLAIMS SETTLEMENT ACT OF 1949.—Title V of the International Claims Settlement Act of 1949 (22 U.S.C. 1643 and following) is amended by adding at the end of the following new section:

''DETERMINATION OF OWNERSHIP CLAIMS REFERRED BY DISTRICT COURTS OF THE UNITED STATES

''SEC. 514. Notwithstanding any other provision of this Act and only for purposes of section 302 of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1995, a United States district court, for fact-finding purposes, may refer to the Commission, and the Commission may determine, questions of the amount and ownership of a claim by a United States nationals (as defined in section 4 of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1995, resulting from the confiscation of property by the Government of Cuba described in section 503(a), whether or not the United States national qualified as a national of the United States (as defined in section 502(1)) at the time of action by the Government of Cuba''.

(c) RULE OF CONSTRUCTION.—Nothing in this Act or in section 514 of the International Claims Settlement Act of 1949, as added by subsection (b), shall be construed—

(1) to require or otherwise authorize the claims of Cuban nationals who became United States citizens after their property was confiscated to be included in the claims certified to the Secretary of State by the Foreign Claims Settlement Commission for purposes of future negotiation and espousal of claims with a friendly government in Cuba when diplomatic relations are restored; or

(2) as superseding, amending, or otherwise altering certifications that have been made pursuant to title V of the International Claims Settlement Act of 1949 before the enactment of this Act.

SEC. 304. EXCLUSIVITY OF FOREIGN CLAIMS SETTLEMENT COMMISSION CERTIFICATION PROCEDURE.

Title V of the International Claims Settlement Act of 1949 (22 U.S.C. 1643 and following), as amended by section 303, is further amended by adding at the end the following new section:

''EXCLUSIVITY OF FOREIGN CLAIMS SETTLEMENT COMMISSION CERTIFICATION PROCEDURE

''SEC. 515. (a) Subject to subsection (b) neither any national of the United States who was eligible to file a claim under section 503 but did not timely file such claim under that section, nor any national of the United States (on the date of the enactment of this section) who was not eligible to file a claim under that section, nor any national of Cuba, including any agency, instrumentality, subdivision, or enterprise of the Government of Cuba or any local government of Cuba in place on the date of the enactment of this section, nor any successor thereto, whether or not recognized by the United States, shall have a claim to, participate in, or otherwise have an interest in, the compensation proceeds or non-monetary compensation paid or allocated to a national of the United States by virtue of a claim certified by the Commission pursuant to section 507, nor shall any district court of the United States have jurisdiction to adjudicate any such claim.

''(b) Nothing in subsection (a) shall be construed to detract from or otherwise affect any rights in the shares of capital stock of nationals of the United States owning claims certified by the Commission under section 507.''.

SEC. 305. DEFINITIONS.

As used in this title, the following terms have the following meanings:

(1) AGENCY OR INSTRUMENTALITY OF A FOREIGN STATE.—The term ''agency or instrumentality of a foreign state'' has the meaning given that term in section 1603(b) of title 28, United States Code, except as otherwise provided for in this title under paragraph 4(B).

(2) COMMERCIAL ACTIVITY.—The term ''commercial activity'' has the meaning given that term in section 1603(d) of title 28, United States Code.

(3) CONFISCATED.—The term ''confiscated'' refers to—

(A) the nationalization, expropriation, or other seizure by the Cuban government of ownership or control of property, on or after January 1, 1959—

(i) without the property having been returned or adequate and effective compensation provided; or

(ii) without the claim to the property having been settled pursuant to an international claims settlement agreement or other mutually accepted settlement procedure; and

(B) the repudiation by the Cuban government of, the default by the Cuban government on, or the failure by the Cuban government to pay, on or after January 1, 1959—

(i) a debt of any enterprise which has been nationalized, expropriated, or otherwise taken by the Cuban government,

(ii) a debt which is a charge on property nationalized, expropriated, or otherwise taken by the Cuban government, or

(iii) a debt which was incurred by the Cuban government in satisfaction or settlement of a confiscated property claim.

(4) CUBAN GOVERNMENT.—(A) The terms ''Cuban government'' and ''Government of Cuba'' include the government of any political subdivision of Cuba, and any agency or instrumentality of the Government of Cuba.

(B) For purposes of subparagraph (A), the term ''agency or instrumentality'' is used within the meaning of section 1603(b) of title 28, United States Code.

(5) FOREIGN NATIONAL.—The term ''foreign national'' means—

(A) an alien, or

(B) any corporation, trust, partnership, or other juridical entity not organized under the laws of the United States, or of any State, the District of Columbia, or the Commonwealth of Puerto Rico, or any other territory or possession of the United States.

(6) KNOWINGLY.—The term ''knowingly'' means with knowledge or having reason to know.

(7) OFFICIAL OF THE CUBAN GOVERNMENT OR THE RULING POLITICAL PARTY IN CUBA.—The term ''official of the Cuban Government or the ruling political party in Cuba'' refers to members of the Council of Ministers, Council of State, central committee of the Cuban Communist Party, the Politburo, or their equivalents.

(8) PROPERTY.—(A) The term ''property'' means any property (including patents, copyrights, trademarks, and any other form of intellectual property), whether real, personal or mixed, and any present, future, or contingent right, security, or other interest therein, including any leasehold interest.

(B) For purposes of this title, the term ''property'' shall not include real property used for residential purposes, unless, at the time of enactment of this Act—

(I) the claim to the property is held by a United States national and the claim has been certified under title V of the International Claims Settlement Act of 1949; or

(ii) the property is occupied by an official of the Cuban government or the ruling political party in Cuba.

(9) TRAFFICS.—(A) AS used in this title, a person or entity ''traffics'' in property if that person or entity knowingly and intentionally—

(I) sells, transfers, distributes, dispenses, brokers, manages, or otherwise disposes of confiscated property, or purchases, leases, received, possesses, obtains, control of, manages, uses or otherwise acquires or holds an interest in confiscated property,

(ii) engages in a commercial activity using or otherwise benefitting from a confiscated property, or

(iii) causes, directs, participates in, or profits from, trafficking (as described in clauses (I) and (ii)) by another person, or otherwise engages in trafficking (as described in clauses (I) and (ii)) through another person,

without the authorization of the United States national who holds a claim to the property.

(B) The term ''traffic'' does not include—

(I) the delivery of international telecommunications signals to Cuba;

(ii) the trading or holding of securities publicly traded or held, unless the trading is with or by a person determined by the Secretary of the Treasury to be a specially designated national;

(iii) transactions and uses of property incident to lawful travel to Cuba, to the degree that such transactions and uses of property are necessary to the conduct of such travel; or

(iv) transactions and uses of property for residential purposes by a person who is both a citizen of Cuba and a resident of Cuba, and who is not an official of the Cuban government or the ruling political party in Cuba, unless, at the time of enactment of this title, the claim to the property is held by a United States national and the claims has been certified under title V of the International Claims Settlement Act of 1949.

(10) UNITED STATES NATIONAL.—The term ''United States national'' means—

(A) any United States citizen; or

(B) any other legal entity which is organized under the laws of the United States, or of any State, the District of Columbia, or the Commonwealth of Puerto Rico, or any other territory or possession of the United States, and which has its principal place of business in the United States.

NOTICE OF HEARING

SUBCOMMITTEE ON FORESTS AND PUBLIC LAND MANAGEMENT

Mr. CRAIG. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled before the Subcommittee on Forests and Public Land Management to receive testimony from

academicians and State and local officials on alternatives to Federal forest land management. Testimony will also be sought comparing land management cost and benefits on Federal and State lands.

The hearing will take place Thursday, October 26, 1995, at 9 a.m. in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

Those wishing to testify or who wish to submit written statements should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC. 20510. For further information, please call Mark Rey at (202) 224–6170.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. CRAIG. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet at 10 a.m. on Tuesday, October 17, 1995, in open session, to receive testimony on United States policy on Bosnia and the use of United States military forces to implement a peace agreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. CRAIG. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, October 17, 1995, at 2 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ADMINISTRATIVE OVERSIGHT AND THE COURTS

Mr. CRAIG. Mr. President, I ask unanimous consent that the Subcommittee on the Administrative Oversight and the Courts of the Committee on the Judiciary, be authorized to meet during the session of the Senate on Tuesday, October 17, 1995 at 10 a.m., in the Senate Dirksen Building room 226, to hold a hearing on Conserving Judicial Resources: The Caseload of the U.S. Court of Appeals for the District of Columbia Circuit and the Appropriate Allocation of Judgeships.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON HOUSING OPPORTUNITY AND COMMUNITY DEVELOPMENT

Mr. CRAIG. Mr. President, I ask unanimous consent that the Subcommittee on Housing Opportunity and Community Development of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Tuesday, October 17, 1995, to conduct a hearing on Low Income Housing Preservation Reform.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. CRAIG. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Tuesday, October 17, 1995, at 3 p.m. to hold a closed conference with the House Permanent Select Committee on Intelligence on the fiscal year 1996 intelligence authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

WORLD WAR II VETERANS LEAVE LEGACY OF FREEDOM

● Mr. THOMPSON. Mr. President, there are defining moments in history, as there are in all our lives. World War II was one of those times. History stood still while men and women from nations around the world struggled mightily to determine which direction the future would take.

Fifty years ago, when that war ended, America embarked on a journey toward freedom—not suppression; toward peace—not war; and toward progress for all peoples—not ignorance, fear and darkness.

While we still are far from reaching the end of that journey, we know now, as we did then, that our path would have been quite different had not so many American men and women offered their country years of personal sacrifice. More than 400,000 Americans gave their lives, and their simple, dignified graves here and around the world mark their heritage far better than words.

Among that number more than 6,000 Tennesseans died on foreign battlefields during that great conflict. Yet today 150,000 Tennessee men and women who served their country so well 50 years ago still are living.

On October 11, 1995, the United States Congress held a rare joint Senate-House meeting in the chamber of the House of Representatives to honor our World War II veterans, and those who served on the home front. I was pleased to be able to invite a Tennessee war veteran to attend this ceremony, and was honored to welcome Brig. Gen. Enoch Stephenson of Columbia, TN.

A combat pilot during the war, Stephenson flew 66 combat missions in a P–51 Mustang for the 8th Air Force, including missions over Berlin, Poland, and Czechoslovakia.

Stephenson, then a lieutenant based in Great Britain, normally ''flew escort for heavy bombers—B–24s and B–17s—on their daylight raids,'' as he recounted. ''* * * As the Army started working its way across Europe, we continued to escort the bombers. But after they had completed their bomb run and were headed back to England, we'd leave them and go look for targets of opportunity.''

After the war Stephenson returned to Tennessee and took a position with the Third National Bank in Nashville. He also served in the Tennessee National Guard until he retired 24 years later. He is currently chairman of the World War II Memorial Trust—an organization focused on creating a World War II memorial on the Tennessee Bicentennial walk planned for Nashville.

During his career Stephenson received the Legion of Merit, the Distinguished Flying Cross with Oak Leaf Cluster, the Air Medal with six Oak Leaf Clusters and the European Battlefield Ribbon with four Battle Stars.

But Stephenson represented more than one man when he traveled to Washington for the special ceremony and recognition. Sitting with him in that congressional Chamber were all of Tennessee's World War II veterans, living and dead.

With him was Sgt. Charles H. Coolidge of Signal Mountain who served in the 36th Infantry Division in France. On October 24, 1944, Coolidge's company was under heavy enemy tank and machine gun fire delivered at close range. Coolidge picked up a bazooka and moved to within 25 yards of the tanks. When the bazooka failed to function he threw it aside, crawled even closer and armed only with hand grenades inflicted heavy casualties on the advancing enemy.

With him was Sgt. Vernon McGarity of Memphis who served in the 99th Infantry Division. On December 16, 1944, near Krinkelt, Belgium, McGarity was wounded in an artillery barrage. After being treated at an aid station, he refused evacuation and returned to the men of his squad. Then, in the thick of battle and under heavy fire, he separately rescued two wounded American soldiers, immobilized the lead tank of the enemy with a rocket launcher, and ran through concerted enemy fire to recover ammunition critical to his unit's ability to continue the fight. When his squad was pinned down by a German machine gun, McGarity left cover, charged the machine gun, and single-handedly killed or wounded all the enemy gunners.

Also with Stephenson in that stately congressional Chamber was 1st Lt. Hugh B. Mott of Nashville who served in the 9th Armored Engineer Battalion in Germany. On March 7, 1945, Mott arrived with his unit at Remagen Bridge which crossed the Rhine River. Although the bridge was protected by enemy demolition charges and intense sniper, machine gun and 20 mm fire, Mott ran along the entire length of the bridge cutting the wires leading to the demolitions. By doing this he prevented the immediate destruction of the bridge and enabled U.S. forces to establish a bridge head on the east bank of the Rhine River.

Following the war Mott joined the Tennessee National Guard, from which he retired as a major general. He served in the State Legislature, and for several years was the chief of police in Nashville.

Mott was awarded the Distinguished Service Cross, among other honors.

Both Coolidge and McGarity were recipients of the Nation's highest battlefield award, the Congressional Medal of Honor.

It is sometimes hard to believe that a half-century has passed since heros like Enoch Stephenson, Charles Coolidge, Vernon McGarity, Hugh Mott—and so many others—left their homes and families to travel into hell.

Time, however, will never diminish their sacrifices and service to our Nation. For, quite simply, their legacy is nothing less than the freedom we enjoy today. And that is the most important legacy anyone can leave.●

IN HONOR OF SISTER HENRIETTA HEBERT, SISTER WINIFRED LEDOUX, AND SISTER STEPHEN LELEUX, SISTERS OF THE MOST HOLY SACRAMENT

● Mr. BREAUX. Mr. President, today I recognize three Sisters of the Most Holy Sacrament who have dedicated their lives to making the lives of others more rewarding both spiritually and through education.

Sister Henrietta Hebert, Sister Winifred LeDoux, and Sister Stephen Leleux have ministered primarily as educators to young women and men in my hometown of Crowley, in Acadia Parish where Crowley is located, and in south Louisiana.

On October 14, these Sisters celebrated with family and friends a mass of thanksgiving in Crowley. They celebrated and gave thanks with deep spiritual humility for one reason, that they have been able to serve others for so many years.

Sister Henrietta and Sister Winifred celebrated their Diamond Jubilee. Sister Stephen celebrated her Golden Jubilee.

As young women, these Sisters vowed solemnly to live a life of service to others. For many years they have fulfilled those vows faithfully as educators, both academic and spiritual. Today, they continue to serve through their deeply spiritual lives, through their prayers, through their example.

Their selflessness and humility stem from the deep faith which their families nurtured in them. That deep faith enabled them, as young women, to make personal and prayerful choices to serve others as Sisters of the Most Holy Sacrament.

Their dedicated service has blessed and benefited so many south Louisiana students through the academic subjects they taught and the spiritual values they instilled. In turn, the community has been blessed and has benefited as well.

I believe, Mr. President, that through their roles as dedicated Sisters, they actually have lead the community as well as served it. Their commitment, their values, and their spirituality have been models of leadership and service, especially for the many young women and men they have educated.

Though they have been community leaders, in their profound humility they would see themselves as only as servants. Though they have given so much to the community, in their profound humility they would never seek or expect anything except to continue their service.

Being from Crowley, I am one of those who was so fortunate to have been taught by Sister Henrietta. On this occasion I express gratitude with all those who have learned from her, from Sister Winifred and from Sister Stephen for all that they have taught and instilled in us.

For Sister Henrietta, Sister Winifred, and Sister Stephen my personal prayers, therefore, are for many more years of peace and joy in their service to others as Sisters of the Most Holy Sacrament. Our Nation and our State are truly better off for their service to so many.●

WORLD POPULATION AWARENESS WEEK

● Mr. ROCKEFELLER. Mr. President, next week, October 22, 1995, through October 28, 1995, has been declared as World Population Awareness Week. Over a decade ago, the United Nations estimated that by the end of this century there would be 65 countries unable to either grow sufficient food to enable their inhabitants to meet minimum nutrition levels or purchase beyond their borders sufficient food to reach these standards.

Recently, the World Food Program reported that there are already 88 low-income, food-deficit countries. With a full 4 years remaining in this century, the dire prediction made back in the mid-1980's already has exceeded by 23 countries.

Although a complete solution to the world hunger problem involves action on many, many fronts, I believe that part of the solution is to reduce global population growth. I do this with special pride over my own family's historic role in raising public awareness of population issues and their effect on the world's human condition and stability.

Last year the International Conference on Population and Development was held in Cairo to create a strategy for voluntarily reducing world population. The implementation of that strategy is the theme of World Population Awareness Week. I am proud to join Gov. Gaston Caperton of West Virginia and my fellow West Virginians in observing this week as a time to express the importance of addressing population trends. I ask that the text of the West Virginia Proclamation be printed in the RECORD designating October 22–28 as World Population Week.

The text follows:

PROCLAMATION BY GOV. GASTON CAPERTON

Whereas, the developing world is plagued by alarmingly high rates of maternal and infant mortality, environmental degradation, malnutrition and unemployment; and,

Whereas, without a reduction of population growth rates, the world's population will be subject to unprecedented economic and social hardship, hunger and political strife; and,

Whereas, world population is currently 5.7 billion and increasing by nearly 100 million per year, with virtually all of the growth added to the poorest countries and regions—those that can least afford to accommodate their current populations, much less massive infusions of human numbers; and,

Whereas, the annual increment to world population is projected to exceed 86 million through the year 2015, with three billion people—the equivalent of the entire world population as recently as 1960—reaching their reproductive years within the next generation; and,

Whereas, the environmental and economic impacts of this level of growth will almost certainly prevent inhabitants of poorer countries from improving their quality of life, and, at the same time, have deleterious repercussions for the standard of living in more affluent regions; and,

Whereas, environmental and economic problems caused by overpopulation will affect all nations of the world, including the United States;

Now, Therefore, Be It Resolved that I, Gaston Caperton, Governor of the State of West Virginia, do hereby proclaim October 22, 1995 through October 28, 1995 as: ''World Population Awareness Week'' in West Virginia and encourage all citizens to understand the importance of educating ourselves in order to help curb these trends and help eliminate poverty, illiteracy, unemployment, social disintegration and gender discrimination.●

WORLD POPULATION AWARENESS WEEK

● Mr. KOHL. Mr. President, every year the United States sends billions of dollars overseas for foreign aid and military operations trying to bring peace and prosperity to troubled regions around the world. Our help often comes too late and seldom alleviates the root of the dilemma.

Overcrowding and rapid population growth exacerbates many causes of conflict around the world, like ethnic tensions, economic disparity, and struggle over scarce resources. The population of our planet has ballooned rapidly from 2 billion in 1935 to almost 6 billion today, and will reach 8 billion by 2025. Ninety percent of this growth will occur in the most troubled regions of the Third World, increasing their already difficult tasks of peace and economic development.

Stable population growth could help these regions achieve their goals by improving economic conditions, lessening the stress on scarce resources, raising the quality of life, and facilitating economic development. Increasing the awareness of population growth focuses the efforts of our Government, and governments around the world, on finding solutions to this problem.

To focus attention on population expansion, the State of Wisconsin has declared October 22–28 World Population Awareness Week. I hope Wisconsin's effort to increase sensitivity on this issue will be joined by other State and local governments. World Population Awareness Week is the first step toward stable population growth and a

better and more peaceful life for everyone on the planet.●

BILL READ FOR THE FIRST TIME—S. 1328

Mr. DOLE. Mr. President, I understand that S. 1328, introduced earlier today by Senator HATCH, is at the desk.

The PRESIDING OFFICER. The Senator is correct.

Mr. DOLE. Mr. President, I ask for its first reading.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1328) to amend the commencement dates of certain temporary Federal judgeships.

Mr. DOLE. I now ask for its second reading.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. I wish to object on behalf of the distinguished Democratic leader, Senator DASCHLE.

The PRESIDING OFFICER. Objection is heard.

The bill will be read the second time on the next legislative day.

ORDERS FOR TOMORROW

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 12 noon on Wednesday, October 18; that, following the prayer, the Journal of proceedings be deemed approved to date, no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have expired, the time for the two leaders be reserved for their use later in the day, and then there be a period for morning business until the hour of 2 p.m., with Senators permitted to speak therein for up to 5 minutes each with the following exceptions: Senator THOMAS or designee, for 60 minutes, and Senator DASCHLE or designee, for 60 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I further ask unanimous consent that the cloture vote on the substitute amendment occur at 2 p.m., with the mandatory live quorum waived; further, that under the provisions of rule XXII, Members have until 1 o'clock to file second-degree amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. DOLE. Mr. President, for the information of all Senators, there will be a third cloture vote at 2 o'clock on the Cuban sanctions bill. If cloture is invoked, the Senate will stay on that bill until disposed of. If cloture is not invoked, the Senate may be asked to return to any of the following items: NASA authorization; Amtrak authorization; Labor-HHS appropriations—we are trying to work out some agreement on that; State Department reorganization; and it is my hope—I know that the Senator from North Carolina, Senator HELMS, has prepared for several days to proceed on that matter—that the Senator from Massachusetts, Senator KERRY, will submit some offer to Senator HELMS so we can work out that matter, as we agreed to earlier; plus any available appropriations conference reports.

ADJOURNMENT UNTIL TOMORROW

Mr. DOLE. If there is no other Senator seeking recognition, and no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 6:19 p.m., adjourned until Wednesday, October 18, 1995, at 12 noon.