THE REPUBLICAN RECONCILIATION PACKAGE

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

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

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

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

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

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

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

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

MESSAGES FROM THE PRESIDENT

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

EXECUTIVE MESSAGES REFERRED

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

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

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

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

To the Congress of the United States:

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

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

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

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

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

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

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

about $170,000, most of which represents wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the Customs Service, the Office of the Under Secretary for Enforcement, and the Office of the General Counsel) and the Department of State (particularly the Office of Southern African Affairs).

I will continue to report periodically to the Congress on significant developments, pursuant to 50 U.S.C. 1703(c).

WILLIAM J. CLINTON.

THE WHITE HOUSE, *September 18, 1995.*

REPORT ON THE NATIONAL EMERGENCY WITH IRAN—MESSAGE FROM THE PRESIDENT—PM 81

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

To the Congress of the United States:

I hereby report to the Congress on developments concerning the national emergency with respect to Iran that was declared in Executive Order No. 12957 of March 15, 1995, and matters relating to Executive Order No. 12959 of May 6, 1995. This report is submitted pursuant to section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c) (IEEPA), and section 505(c) of the International Security and Development Cooperation Act of 1985, 22 U.S.C. 2349aa–9(c). This report discusses only matters concerning the national emergency with respect to Iran that was declared in Executive Order No. 12957 and matters relating to Executive Order No. 12959.

1. On March 15, 1995, I issued Executive Order No. 12957 (60 Fed. Reg. 14615, March 17, 1995) to declare a national emergency with respect to Iran pursuant to IEEPA, and to prohibit the financing, management, or supervision by United States persons of the development of Iranian petroleum resources. This action was in response to actions and policies of the Government of Iran, including support for international terrorism, efforts to undermine the Middle East peace process, and the acquisition of weapons of mass destruction and the means to deliver them. A copy of the order was provided to the Congress by message dated March 15, 1995.

Following the imposition of these restrictions with regard to the development of Iranian petroleum resources, Iran continued to engage in activities that represent a threat to the peace and security of all nations, including Iran's continuing support for international terrorism, its support for acts that undermine the Middle East peace process, and its intensified efforts to acquire weapons of mass destruction. On May 6, 1995, I issued Executive Order No. 12959 to further respond to the Iranian threat to the national security, foreign policy, and economy of the United States.

Executive Order No. 12959 (60 Fed. Reg. 24757, May 9, 1995) (1) prohibits exportation from the United States to Iran or to the Government of Iran of goods, technology, or services; (2) prohibits the reexportation of certain U.S. goods and technology to Iran from third countries; (3) prohibits transactions such as brokering and other dealing by United States persons in goods and services of Iranian origin or owned or controlled by the Government of Iran; (4) prohibits new investments by United States persons in Iran or in property owned or controlled by the Government of Iran; (5) prohibits U.S. companies and other United States persons from approving, facilitating, or financing performance by a foreign subsidiary or other entity owned or controlled by a United States person of transactions that a United States person is prohibited from performing; (6) continues the 1987 prohibition on the importation into the United States of goods and services of Iranian origin; (7) prohibits any transaction by any United States person or within the United States that evades or avoids or attempts to violate any prohibition of the order; and (8) allow U.S. companies a 30-day period in which to perform trade transactions pursuant to contracts predating the Executive order.

In Executive Order No. 12959, I directed the Secretary of the Treasury to authorize through licensing certain transactions, including transactions by United States persons related to the Iran-United States Claims Tribunal in The Hague, established pursuant to the Algiers Accords, and other international obligations and United States Government functions. Such transactions also include the export of agricultural commodities pursuant to preexisting contracts consistent with section 5712(c) of title 7, United States Code. I also directed the Secretary of the Treasury, in consultation with the Secretary of State, to consider authorizing United States persons through specific licensing to participate in market-based swaps of crude oil from the Caspian Sea area for Iranian crude oil in support of energy projects in Azerbaijan, Kazakhstan, and Turkmenistan.

Executive Order No. 12959 revokes sections 1 and 2 of Executive Order No. 12613 of October 29, 1987, and sections 1 and 2 of Executive Order No. 12957 of March 15, 1995, to the extent they are inconsistent with it. A copy of Executive Order No. 12959 was transmitted to the President of the Senate and Speaker of the House by letter dated May 6, 1995.

2. In its implementation of the sanctions imposed against Iran pursuant to Executive Order No. 12959, the Office of Foreign Assets Control (FAC) of the Department of the Treasury has issued 12 general licenses and 2 general notices authorizing various transactions otherwise prohibited by the Executive order or providing statements of licensing policy. In order to ensure the widest dissemination of the general licenses and general notices in advance of promulgation of amended regulations, FAC published them in the Federal Register on August 10, 1995 (60 Fed. Reg. 40881). In addition, FAC disseminated this information by its traditional methods such as electronic bulletin boards, FAX, and mail. Copies of these general licenses and general notices are attached to this report.

General License No. 1 described those transactions which were authorized in connection with the June 6, 1995 delayed effective date contained in Executive Order No. 12959 for trade transactions related to pre-May 7 trade contracts. General License No. 2 authorized payments to or from Iran under certain circumstances and certain dollar clearing transactions involving Iran by U.S. financial institutions. General License No. 3 authorized the exportation of certain services by U.S. financial institutions with respect to accounts held for persons in Iran, the Government of Iran, or entities owned or controlled by the Government of Iran. General License No. 3 also contained an annex identifying 13 Iranian banks and 62 of their branches, agencies, representative offices, regional offices, and subsidiaries as owned or controlled by the Government of Iran. General License No. 4 authorized (1) domestic transactions involving Iranian-origin goods already within the United States except for transactions involving the Government of Iran or an entity owned or controlled by the Government of Iran, and (2) transactions by United States persons necessary to effect the disposition of Iranian-origin goods or services located or to be performed outside the United States, provided that they were acquired by that United States person in transactions not prohibited by the order or by 31 C.F.R. Part 560, that such disposition does not result in the importation of these goods or services into the United States, and that such transactions are completed prior to August 6, 1995. General License No. 5 authorized the importation into the United States of information and informational materials, confirmed the exemption of such information from the ban on exportation from the United States, and set forth a licensing policy for the exportation of equipment necessary to establish news wire feeds or other transmissions of information. General License No. 6 authorized the importation into the United States and the exportation to Iran of diplomatic pouches and their contents. General License No. 7 provided a statement of licensing policy for consideration, on a case-by-case basis, to authorize the establishment and operation of news organization offices in Iran by U.S. organizations whose primary purpose is the gathering and dissemination of news to