provides for lawyer's fees for the economic damages suffered. So a lawyer can recover either 33 percent of the first $150,000 and 25 percent of everything thereafter with no limit for the economic damages. So you can have a very large attorney fee just for the economic damage component of a lawsuit.

Then you have the noneconomic damage component. This is the pain and suffering that is supposed to go to the person who suffered the pain and suffering. All we say in my amendment is that the lawyer would be entitled to no more than 25 percent of the first $250,000 of that pain and suffering. So that is an additional up to $60,000-plus in attorney's fees for the pain and suffering component of the suit.

Then, if it is a suit in which punitive damages are sought and the lawyer believes that he should be entitled to a percentage of that as well, he may petition the court to have a percentage of the punitive damage award. The court would have to make that award based on what is reasonable and ethical. It should be based upon the amount of time the attorney put in; 25 percent would be presumed to be a reasonable fee but all of this is up to the court.

So you see, this is a limitation but it is a limitation which will enable attorneys to receive multithousands and tens of thousands and even hundreds of thousands of dollars in fees for the kind of case that would warrant it. So there is no question there would be an incentive for anybody who has a claim—be it a little claim or a larger claim—to have that case brought to trial because a lawyer would have an incentive to do so. But what it provides is a cap so the lawyer does not have a lottery here, so the lawyer does not have an incentive to bring these cases just to see if that lawyer can hit the jackpot and earn literally hundreds and hundreds of thousands of dollars or millions of dollars in attorney's fees when we think that money should go to the plaintiff or the claimant, the victim in the case. That is what it is all about. We are going to be voting on that shortly after 11 o'clock tomorrow morning.

I just urge all of my colleagues to view this issue in the light of what is best for the claimant, for the plaintiff, the injured party, and to view it in the light of what is best for the American people, who are paying a very large sum of money so that a lot of lawyers can get very rich. As I say, some people criticize this as not being tough enough on the lawyers. That is not what we are here for. We are not here to bash lawyers, but to put a cap on the big bonanza kind of recovery that we have all been reading about.

Finally, I want to take a minute to say that at shortly after noon, I will be offering a second amendment. This is an amendment which will put a cap on the noneconomic damages—so-called pain and suffering—in these medical malpractice cases. It will put a cap of $500,000 on these medical malpractice cases.

A lot of our colleagues have said the cap discussed earlier—a quarter of a million dollars—is just not quite big enough for that really exceptional case. In response to that, I think a lot of people have said, ''OK. We will provide for up to half a million dollars.'' Bear in mind that this is after the economic damages—after all of the bills have been paid, after all of the economic losses have been accounted for—there is the pain and suffering part of it. It does not relate to the punitive damages. There will be a different kind of treatment for that. This is just to say with respect to that noneconomic damage component, there will be a cap of half a million dollars.

So I will be proposing that amendment and asking support from my colleagues for that amendment, as well.

Mr. President, I yield the floor.

EXHIBIT 1

[From the Los Angeles Times, Apr. 27, 1995

IGNORE THE LAWYERS, HELP THE PEOPLE

(By Bob Dole)

During the current Senate debate over legal reform, you will hear from the trial lawyers and their allies that legal reform is nothing more than a boost to big business.

But the facts suggest otherwise. Who is hurt by lawsuit abuse? It's the little guy, according to recent surveys by the National Federation of Independent Businesses in Texas and Tennessee, which found that one-third to one-half of small businesses have been sued or been threatened with suit for punitive damages. Because of this kind of lawsuit abuse, the Washington-area Girl Scout council must sell 87,000 boxes of cookies each year just to pay for liability insurance, and the average local Little League's liability insurance jumped 1,000% in a recent five-year period. These are just a few examples of a problem that is big and getting bigger.

Who profits from lawsuit abuse? The trial lawyers.

As the Senate considers legislation to reform lawsuit abuses, the buzzing sound you hear is the trial lawyers swarming to the defense of their hive of honey: The lawsuit lottery.

This picture, needless to say, is not the one trial lawyers would paint. According to them, they are the best (perhaps only) friends of the poor, consumers and women. They have one of the most effective public-relations efforts going. It is a costly exercise, characterized by millions in contributions to politicians and judges. Now they are mounting a $20-million campaign to stop lawsuit reform in the U.S. Senate.

Why? Lost in the fog of propaganda is a fact well-understood by most Americans: Our legal system costs too much for everybody (except the trial lawyers) and has turned into a lottery where even the threat of outrageous damages with little or no connection to fault extorts money and time from charitable organizations, small businesses, blood banks and volunteer groups. But, like any effective gambling operation, the house always wins. And the house in this case is the trial lawyers and the system they so ardently defend.

We need a system that ensures that those harmed by someone else's wrongful conduct are compensated fully. And we need to ensure that the system is not twisted in ways that deter folks from engaging in activities that we ought to encourage. That's why I have offered an amendment that would extend the protections against outrageous punitive damages now being considered for manufacturers to include volunteer and charitable organizations, small businesses and local governments.

These reforms are an attempt to restore fairness and integrity to a system that has gone awry. But, given the distortions from the trial-lawyer lobby, it is clearly time to confront a few of their most cherished myths.

Myth No. 1: Trial lawyers protect consumers. The California Trial Layers Assn. recently changed its name to the Consumer Attorneys of California. Some consumer Attorneys of California. Some consumer champions. Across the nation, abusive lawsuits drive up the costs of all kinds of goods. As noted by the American Tort Reform Assn., half of the cost of a $200 football helmet goes to lawsuit-driven liability insurance.

Myth No. 2: Trial lawyers protect workers and the poor. The current system victimizes no group more than the working poor and the disadvantaged. Lawsuit add a $1,200 litigation tax on every consumer in America.

Meanwhile, some trial lawyers through contingency fees effectively earn $300,000 per hour.

The poor also pay in jobs. A RAND Corp. study estimates that wrongful termination suits have reduced the hiring levels in just one state by as many as 650,000 jobs.

Myth No. 3: Trial lawyers are champions of safety. Personal injury lawyers put out literature informing us that Americans live in the safest society in the world because of our civil justice system. The reality is that our legal system long ago crossed a critical threshold: It often makes our daily lives less safe. Lawsuits not only stop pharmaceutical research and new drugs. They cause industrial engineers to avoid safety improvements for fear that current designs, by comparison, will be interpreted as defective. They make all organizations fearful of the new—because in the hands of personal injury lawyers, ''new and improved'' has come to mean ''new and open season for lawsuits.''

Part of our heritage as a free people is a legal system where justice, not the search for a windfall, is the goal. Over the past 40 years, we have strayed from that path. The powerful trial-lawyer lobby must not be allowed to kill reform with a campaign of disinformation, distortion and delay. I am determined that this is the year that civil-justice reform will pass the Senate.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER. Under the previous order, the Senator from Minnesota [Mr. GRAMS] is recognized to speak for up to 15 minutes.

The Senator from Minnesota is recognized.

Mr. GRAMS. Thank you very much, Mr. President.

PRODUCT LIABILITY AND MEDICAL MALPRACTICE REFORM

Mr. GRAMS. Mr. President, I think most Senators would agree that health care reform was the most important piece of legislation we debated during the 103d Congress.

Throughout the health care debate, we heard from people here in Washington and across the Nation, and we learned what they valued most about our Nation's health care system. We

also heard their suggestions as to how the current system should be changed.

Fortunately, we also learned that the majority of Americans did not agree with the President's plan to turn the entire health care system over to the Federal Government.

But, while most Americans adamantly rejected his radical approach to health care reform, we also found tremendous support for reasonable and sensible reforms which will immediately improve our health care system.

In particular, we learned that the American people overwhelmingly believe we need to dramatically reshape our Nation's medical malpractice system.

Recent polls continue to show strong support for liability reform.

Eighty-three percent of Americans believe that the present liability system has problems and should be improved.

Eighty-nine percent believe that too many lawsuits are being filed in America today; and

Sixty-seven percent of American voters agree with the statement that ''I am afraid that one day I, or someone in my family, will be the victim of a lawsuit.''

Some of my colleagues might ask, why we are discussing medical malpractice reform during the product liability debate? Simple: many of the same problems facing American manufacturers also affect our doctors and health care providers.

During the last two decades, there has been an explosion of litigation that has saddled the health care industry with substantial costs wholly unrelated to providing medical care and services.

While I stand behind the right of every individual to right a wrong through the judicial system, this litigation bonanza does nothing to improve patient care or improve service delivery. It simply encourages frivolous lawsuits by creating an environment which is weighted in favor of the plaintiff's bar and against the world's best health care system.

Second, this ever-increasing tide of litigation has forced a large number of physicians to practice defensive medicine to protect themselves from lawsuits. This practice passes along greater costs to patients and insurers.

Lewin-VHI conducted a study in 1993, and discovered that the U.S. health care delivery system could save up to $76.2 billion over 5 years by eliminating defensive medicine practices.

Taxpayers also feel the pain of defensive medicine in their checkbooks since the physicians who treat America's poor and elderly are forced to practice defensive medicine which increases the costs of the Medicare and Medicaid Programs.

Defensive medicine is a drain on our Federal budget, and one we cannot afford.

In 1991, medical liability premiums for hospitals and physicians totaled $9.2 billion.

The current system has had a chilling effect on the ability of patients to access their doctors—especially those who live in rural areas.

For example, 70 percent of all obgyns will be sued during their careers. Many have decided to no longer offer obstetric services to their patients for fear of lawsuits. And obstetricians continue to pay the highest premiums of all health care providers.

From the standpoint of the victims, even when a lawsuit is justified and reasonable, they are often forced to wait up to 5 years between the time their injury occurred and the time they are compensated, under our current system.

More often than not, attorneys will only litigate cases with high award potentials, which tends to discourage attorneys from settling the cases early.

Finally, and perhaps most troubling, the medical malpractice system has placed a wedge between doctors and their patients; it undermines the mutual trust which is essential to the doctor-patient relationship.

Last year, after the relevant House committees failed to address medical malpractice reform, I introduced legislation very similar to the amendment offered today by Senators MCCONNELL, KASSEBAUM, and LIEBERMAN.

With this amendment, the Senate has the opportunity to do what the American people want—reform the system.

This amendment would do that by:

Ensuring full recovery for economic and noneconomic damages including lost wages, as well as compensation for pain and suffering;

Providing alternative dispute resolution;

Establishing the use of the collateral source rule;

Abolishing joint liability; and

Requiring periodic payment of future damage awards.

These reforms are the first steps toward addressing the failure of our medical malpractice system.

I came to the floor today to reaffirm my support for sensible improvements to our badly broken medical malpractice system. As many of my colleagues have noted—Democrats and Republicans alike—our current system is costly, slow, inequitable, and unpredictable. Our system has failed hospitals, doctors, and ultimately, it has failed its patients. The American people deserve better.

While this amendment has my full support and I recognize the many hours of hard work my colleagues spent on this legislation, I believe we should go further.

I strongly encourage the Senate to include the $250,000 cap on noneconomic damages.

In addition, we should extend protection to the manufacturers of medical devices by eliminating punitive damage awards if the device has received FDA approval.

According to Medical Alley, a coalition of Minnesota's entire health care industry, ''the current liability system has a negative effect on health care product innovation.''

They cite the fact that innovative products are not being developed, which has reduced our ability to compete in worldwide markets.

I urge my colleagues to ensure that significant changes are implemented. However, if the Congress and the President fail to secure fundamental reforms to our liability system, I will move forward and introduce legislation which will address the concerns of so many American doctors, consumers, and patients alike.

Mr. President, our medical malpractice system is in critical condition, but it is not too late to save it. The American people are demanding reform and the Senate must deliver.

We need a system that meets the needs of all Americans, not just the plaintiffs' bar. I believe this amendment is the prescription we have been looking for to cure this problem.

Thank you, and I yield the floor.

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

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

TAIWAN

Mr. THOMAS. Mr. President, as the chairman of the Subcommittee on East Asian and Pacific Affairs, I would like to share with my colleagues some developments concerning Taiwan which arose over the April recess.

As my friends are well aware, the State Department has for several years now prohibited the President of the Republic of China on Taiwan, Dr. Lee Teng-hui, from entering the United States. This prohibition extends not only to visits in his capacity as President, but to any visit even as a private citizen. The official rationale for this is that such a visit would offend the sensitivities of the Government of the People's Republic of China, which lays claim to Taiwan as a renegade province.

This stance is troublesome to me and many other Senators for several reasons. First, Taiwan has been our close friend and ally for several decades, and is presently our fifth largest trading partner. It is a moldel emerging democracy in an area not particularly known for strong democratic traditions. Regardless of these facts, however, we reward the Government of Taiwan by denying its elected officials even the most basic right to visit our country. The State Department policy has previously even been raised to the