

works because business cannot exist without credit. We have plenty of businesses out there right now that have the capability to make money, have the capability to survive and get through this but cannot find credit. We have to find a way to put that together so our financial system works.

CUBA

I wish to make a couple points about a subject I did not talk about in recent days because there was a lot of controversy on the floor of the Senate over some provisions that I included in the omnibus bill dealing with Cuba. I wish to make a couple comments because much of the discussion has been inaccurate.

Fifty year ago, Fidel Castro walked up the steps of the capitol in Havana, having come from the mountains as a revolutionary. Fidel Castro turned Cuba into a Communist country. I have no time for Fidel Castro or the Communist philosophy of Cuba. But it has always been my interest to try to understand why we treat Cuba differently than we do other Communist countries.

China is Communist, Communist China. What is our policy with China? Engagement will be constructive; allow people to travel to China; trade with China; constructive engagement will move China in the right direction. That has always been our policy with respect to Communist China. I have been to China.

Vietnam is a Communist government. What is our policy? Engagement is constructive; travel to Vietnam; trade with Vietnam; constructive engagement will move Vietnam toward better human rights and greater freedoms. I have been to Vietnam.

That is our constructive approach with respect to Communist countries. Cuba? Different, an embargo with respect to Cuba, a complete embargo, which at one time even included food and medicine which, in my judgment, is immoral. In addition to an embargo, we said: We don't like Fidel Castro; so we are going to slap around the American people as well because we are going to prevent them from traveling to Cuba. So we have people in the Treasury Department in a little organization called the Office of Foreign Assets Control, called OFAC, that at least until not long ago was spending 20 to 25 percent of its time tracking American citizens who were suspected of vacationing in Cuba.

Can you imagine that? The organization was designed to track terrorist money. But nearly a quarter of its time was spent trying to track whether Americans went to Cuba to take a vacation illegally. Let me show you some of what they have done.

This woman is named Joan Slote. I have met Joan. Joan is a senior Olympic bike rider. Joan went to Cuba to ride bicycle with a Canadian bicycling group. Canadians can go to Cuba, and she assumed it was legal for Americans also. She answered an ad in a bicycling magazine and said: Yes, I would like to bicycle in Cuba. So she went.

For going to bicycle in Cuba, she was fined \$7,630 by the U.S. Government under the Trading with the Enemy Act. Think of that, the Trading with the Enemy Act. This senior citizen bicyclist was fined by her Government. Then, because her son had a brain tumor and she was attending to her son in another State, she did not get this notice. So the Government took steps to threaten to attach her Social Security check. Unbelievable. This is unbelievable, in my judgment.

This is Joni Scott, a young woman who came to see me one day. She went to Cuba with a religious group to pass out free Bibles. You can guess what happened to her. Her Government was tracking her down to try to fine her for going to Cuba to pass out free Bibles. Why? Because we decided to punish Fidel Castro by not allowing the American people to travel to Cuba.

Here is Leandro. He is a Cuban American but he could not attend his father's funeral in Cuba. President Bush, by the way, changed the circumstances that Cuban Americans living in this country could travel to Cuba so they can go only once in 3 years rather than once in 1 year. Your mother is dying? Tough luck. Your father is dying? Tough luck. You can't go there. That policy is unbelievable to me.

This is a man I met, SGT Carlos Lazo. SGT Carlos Lazo fled from Cuba on raft and went to Iraq to fight for this country. He won a Bronze Star there. He is a great soldier. His sons were living in Cuba with their mother. One of his sons was quite ill. He came back from fighting in Iraq, and was denied the opportunity see his sick son in Cuba 90 miles away from Florida. That is unbelievable to me. In fact, we even had a vote on the floor of the Senate—we did it because I forced it—whether we were going to let this soldier go to Cuba to see his sons. We fell only a few votes short of the two thirds we needed to change the law.

My point is, our policies make no sense at all. We are going to slap around the American people because we are upset with Castro and Cuba. I am upset with Castro. I am upset with Cuba's policies. But with Communist China and Communist Vietnam, we say travel there, trade with them, constructive engagement moves them in the right direction.

John Ashcroft and I, when John Ashcroft was in the Senate, passed the first piece of legislation that opened a crack for American farmers to be able to sell food and for us to sell medicine in Cuba. We opened just a crack. There was a time a few years ago when the first train carloads of dried peas from North Dakota went to a loading dock to be shipped to Cuba.

President Bush decided: I am going to tighten up all that. I am going to tighten up family visits; I am going to tighten up and try to thwart the ability of farmers to sell food into Cuba. It made no sense to me. So in this omnibus legislation, I made the changes we

have been talking about and debating for years; that is, restoring the right of family visits once a year rather than once in 3 years and a couple other changes to make it easier to export food and medicine to Cuba.

But I wish to make the point that some people on the floor of the Senate have claimed this legislation that was in the omnibus would extend U.S. credit to Cuba. It is flat out not true. There is nothing in these provisions that would extend credit to Cuba. In fact, the Ashcroft-Dorgan or Dorgan-Ashcroft legislation that allowed us to sell food into Cuba explicitly prohibits U.S. financing for food sales to Cuba. They cannot purchase food from us unless it is in cash, and the payments cannot even be conducted directly through an American bank. They have to run through a European bank for a cash transaction to buy American farm products. But at least the law allows us to compete with the Canadians, the Europeans, and others who sell farm products into Cuba.

These policies, in my judgment, have been a failure, dating back to 1960. There is no evidence at all that this embargo has been helpful.

I have been to Cuba. I have been to Havana. I talked with the dissidents who take strong exception and fought the Castro regime every step of the way, and a good number of those dissidents said to me this embargo we have with respect to Cuba is Castro's best excuse. Castro says: Sure our economy is in shambles. Wouldn't it be? Wouldn't you expect it to be if the 500-pound gorilla north of here has its fist around your neck? That is what the Castro regime says to excuse its dismal record—the economy, human rights, and all of it.

I, personally, think it is long past the time to take another look. I know Senator LUGAR also published some recommendations on Cuba policy recently. Sometime soon, Senator ENZI and I and others are going to talk about legislation we have introduced on this subject. It is long past the time to take another look at this issue and begin to treat Cuba as we treat Communist China and Communist Vietnam.

I think constructive engagement is far preferable because now the only voice the Cuban people hear effectively is the Castro voice, whether it is Raul or Fidel—I guess it is now Raul. That is the only thing they hear, and they need to hear more. Hearing more from a flock of tourists who go to a country such as Cuba would, in my judgment, open a substantial amount of new dialog. So I think travel and trade will be constructive, not just with China and Vietnam. I think there is evidence in both cases—I have been to both countries—that constructive engagement has moved forward in both countries in a measurable way.

Has engagement resulted in a quantum leap with China and Vietnam? No, but it is measurable. I think the same would be true with respect to Cuba.

What persuaded me to come to the floor to talk about this today was a discussion this past week on the floor regarding the provisions I sponsored on the bill we passed last night. I didn't engage in that discussion because we needed to move the omnibus bill.

I did want the Senate RECORD to understand and show exactly what the history has been and what we have done. What we have done, I think, is a very small step in the right direction. Much more needs to be done, whether it is saying to American farmers: You have a right to compete, you have a right to sell farm products without constraints. By the way, one of the provisions in the bill authorizes a general license that would make it easier for farm groups like the Farmers Union and Farm Bureau to go to an agriculture expo in Cuba to be able to sell their products. That is not radical. That is not undermining anything. That is common sense.

The drip, drip, drip of common sense in this Chamber could be helpful over a long period of time. This is just a couple small drops of common sense that I think will help us as we address the issue of Cuba.

I yield the floor, and 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. ALEXANDER. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

THE BUDGET

Mr. ALEXANDER. Madam President, I ask the Chair to let me know when I have 2 minutes remaining. I believe we have 30 minutes allocated to us at this stage.

The PRESIDING OFFICER. The Chair will notify the Senator.

Mr. ALEXANDER. I thank the Chair. Madam President, this is an important next 3 or 4 weeks for the United States. The President of the United States has outlined his 10-year blueprint for our country's future in the form of a budget. The budget is now before the Congress, and it is our job to consider it. We are doing that every day in hearings, and we are looking forward to the details the President will send later this month. But for the next 4 weeks, including this week, the major subject for debate in this Senate Chamber is this: Can we afford the Democrats' proposals for spending, taxes, and borrowing? And our view—the Republican view—is the answer is no.

As an example, in the 1990s, President Clinton and the Congress raised taxes, but they raised taxes to balance the budget. This proposal—and we will be discussing it more as we go along—will raise taxes to grow the government.

Not long ago, the President visited our Republican caucus, and we talked

some about entitlement reform—the automatic spending that the government says we don't appropriate; mostly all of it is for Social Security, Medicare, and Medicaid—and he talked about the importance to him of dealing with entitlement spending. Senator McCONNELL, the Republican leader, made a speech at the National Press Club to begin this Congress in which he said that he was going to say to this President: Let's work together to bring the growth in entitlement spending, automatic spending, under control. We had a summit at the White House, which we were glad to attend, about that.

But I say to Senator GREGG, the Senator from New Hampshire, who is the ranking Republican on the Budget Committee, I was disappointed to come back from the excellent meeting we had at the White House on fiscal responsibility and find, for example, that in this budget we have \$117 billion more for entitlement spending on Pell grants. So my question to the Senator from New Hampshire is: Does this budget actually reform entitlement spending, or does it not?

Mr. GREGG. I thank the Senator from Tennessee. I know the Senator from Tennessee will not be surprised to learn that there is no entitlement reform in this budget; that this budget, regrettably, dramatically increases entitlement spending.

The chart I have here reflects that increase. If you would use the present baseline on entitlement spending, that would be the blue. Now that is going up pretty fast. During this period, it would go from \$1.2 trillion up to almost \$2.4 trillion. That is the baseline, if you did nothing. Now one would have presumed with that type of increase in entitlement spending, and the fact that this budget, as it is proposed, is going to run up a public debt which will double in 5 years and triple in 10 years, that it will create a deficit this coming year of \$1.7 trillion and a deficit in the last year of the budget of \$700 billion—deficits which are larger in the last years of this budget than have historically been those that we have borne as a nation over the last 20 years, and a debt which will go from \$5.8 trillion to \$15 trillion plus. One would have presumed that in that area where the budget is growing the fastest, and which represents the largest amount of cost, that this administration would have stepped forward and said: Well, we can't afford that; we have to try to slow the rate of growth of spending in that area, or at least not have increased it. But what the President's budget has done is they have proposed to dramatically increase the amount of spending in the entitlement accounts.

Most of this increase will come in health care. Now, people say, and legitimately so, that we have to reform our health care delivery system in this country; that we have to get better with health care in this country. But does that mean we have to spend a lot

more money on it? No. We spend 17 percent of our national product, of what we produce as a nation, on health care. The closest country to us in the industrialized world only spends 11½ percent of their product on health care. So we have a massive amount of money we are spending on health care as an industrialized nation that is available to correct our health care system. We don't have to increase it even further.

What the President is proposing is to increase health care spending. As a downpayment, they are saying \$600 billion, but actually what they are proposing is \$1.2 trillion of new entitlement spending in health care. No control there. In addition, as the Senator from Tennessee noted, they are taking programs which have traditionally been discretionary, which have therefore been subject to some sort of fiscal discipline around here, because they are subject to what is known as spending caps on discretionary programs, and taking these programs and moving them over to the entitlement accounts. Why? Because then there is no discipline. You spend the money, and you keep spending the money, and there is no accountability. So they are taking the entire Pell program out of discretionary accounts and moving it over to entitlement accounts. As the Senator from Tennessee noted, this is over \$100 billion of new entitlement spending.

If we keep this up, what is it going to do? Essentially, what it is going to do is bankrupt our country, but it will certainly bankrupt our kids. We are going to pass on to them a country which has this massive increase in debt—something our children can't afford, as I mentioned earlier—a debt which will double in 5 years because of the spending, and triple in 10 years. Almost all of this growth in debt is a function of the growth of the entitlement spending in this program. Although there is a considerable amount of growth in discretionary, the vast majority of this increase is in spending for entitlement programs.

To put it another way, and to show how much this is out of the ordinary and how much this is a movement of our government to the left—an expansion of government as a function of our society—this chart shows what historically the spending of the Federal Government has been. It has historically been about 20 percent of gross national product. That has been an affordable number. Granted, we have run deficits during a lot of this period, but at least it has been reasonably affordable. But this administration is proposing in their budget that we spike the spending radically next year, which is understandable because we are in the middle of a very severe recession and the government is the source of liquidity to try to get the economy going. So that is understandable. Maybe not that much, but maybe understandable. It is more than I would have suggested, but I will accept that. The problem is out here, when you get out to the year 2011,