

teacher, mother and a lawyer. But she also acknowledges the contributions Shriver has made to Burke's original idea.

"Without the Kennedy Foundation the Games wouldn't be the Games. There is no other family with the charisma or the wherewithal to do this," Burke said. "[Shriver] deserves the recognition. What has happened has been incredible and it [who's portrait appears] really makes no difference now."

But Burke admits she is disappointed that Chicago, its park employees and the late Mayor Richard J. Daley, never have been recognized by the Kennedy Foundation nor Shriver for the innovation shown in planning and hosting those first Games.

"We took the chances," Burke said, describing the view of many at the time that such games might exploit the mentally retarded. "I think the other side [of the Special Olympics coin] should recognize Chicago, not anyone's name, just Chicago."

When asked if she planned to buy any of the commemoratives, Burke said she thought Shriver should give coins to each of the first participants and employees of the Chicago Park District who planned and hosted the first event.

#### THE BURKE CONNECTION

Dateline: The Chicago line . . . but it was Chicagoan Anne (McGlone) Burke, during her tenure at the Chicago Park District, who gave Shriver the idea for the Special Olympics in a written proposal, and who organized the first Special Olympics event, which was held in Chicago and attended by Mrs. Shriver. Shriver bit, and the rest is history.

Conclusion: Shriver should be honored for giving the Olympics a happy life, but it was Burke who gave it birth.

THE JOSEPH P. KENNEDY, JR.,  
FOUNDATION,  
Washington, DC, July 23, 1968.

Mrs. ANN BURKE,  
Chicago Park District, 425 East 14th Boulevard,  
Chicago, IL.

DEAR ANN: When the history of the Chicago Special Olympics is written, there will have to be a special chapter to recount the contributions of Ann Burke. You should feel very proud that your dedicated work with retarded children in Chicago has culminated in an event of such far reaching importance.

We all owe you a debt of gratitude, but I know that what means most to you is that the Olympics will continue and that children all over the country will benefit from your idea.

My warmest personal thanks.

Sincerely,

EUNICE KENNEDY SHRIVER.

THE JOSEPH P. KENNEDY, JR.,  
FOUNDATION,  
Washington, DC, January 29, 1968.

Miss ANNE MCGLONE BRUKE,  
Chicago Park District, 425 East 14th Boulevard,  
Chicago, IL.

DEAR MISS MCGLONE: Thank you so much for your letter of January 23d informing me about your plans to initiate a National Olympics for retarded children through the Chicago Park District. Both Mr. Shriver and Dr. Hayden have spoken to me about your project and I think it is a most exciting one. I sincerely hope that you are successful in launching it.

This is certainly a large undertaking and we know that you will need a great deal of assistance of many kinds. When you have been able to formalize your plans and put them into a written proposal the Kennedy Foundation will be very happy to send it out to the members of our physical education and recreation advisory boards for their review and comment. All requests to the Foun-

dation for funds in these areas are handled in this manner and I am sure that the suggestions from these people would be very helpful to you.

Once again, let me say how delighted I am to know of your plans. I will look forward to hearing from you again as they progress.

Yours sincerely,

EUNICE KENNEDY SHRIVER.

#### DIRECT LOANS WORK

#### HON. ROBERT E. ANDREWS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1995

Mr. ANDREWS. Mr. Speaker, the March 13, 1995, issue of U.S. News & World Report includes an excellent article entitled, "The College Aid Face-Off." The article reports on the current debate in Congress on the future of the direct loan program as well as on major cuts in the student financial aid programs. With respect to direct loans the conclusions of the article are striking—direct loans work. Direct loans are simpler, faster and more efficient for student borrowers, student financial aid administrators and schools. In addition, direct loans save the taxpayers money. Opposition to direct loans comes from banks and other student loan middlemen who fear the loss of billions of dollars of profits and whose lobbying efforts are fueled by at least \$11.3 million in campaign contributions. The full text of the article follows, and I commend it to my colleagues.

[From the U.S. News & World Report, Mar. 13, 1995]

#### THE COLLEGE AID FACE-OFF

(Clinton fights the GOP and bankers over what students get and who runs the loan business)

(By James Popkin and Viva Hardigg with Susan Headden)

Believe it or not, there is a group of Americans who truly delight in one of the things Bill Clinton has accomplished as president, who think that a government-run program that handles gobs of money is preferable to one run by the private sector and think that the paperwork created by public bureaucrats is easier to navigate than the forms devised by well-run corporations. They are the thousands of college students who got their loans last fall directly from the government instead of from banks. The verdict from Anthony Gallegos, a 22-year-old journalism major at Colorado State University: "It's the best thing since microwavable brownies."

But all is not entirely happy in loan land. Even though many students at 104 schools say they got their money with fewer hassles in a fraction of the time it usually takes and taxpayers might benefit because banks and middlemen didn't collect subsidies to make the loans, the direct-lending program is now the object of a bitter new battle in Washington. In fact, every major federal college aid program is considered a target in one form or another by the new Republican majority in Congress. The disputes have all the hallmarks of postmodern politics: None really centers on principle; almost everyone in Washington believes the government has a useful and morally defensible role to play in helping more kids get into college and pay for it. The fight so far centers on the spoils system—whether the public or private sector administers the program—and arcane federal budget accounting questions.

#### MILLIONS AFFECTED

Those are not inconsequential issues, because billions of dollars of profits (for banks) or potential savings (for taxpayers) are at issue. But the bigger fight will come as Congress deals with the budget. It will feature the first serious talk of major cuts in college loans and grants since the early days of the Reagan administration. "What is at stake is nothing less than access to higher education for millions of middle- and lower-income students at a time when public-college tuition is rising sharply," says Terry Hartle, a vice president of the American Council on Education. The biggest dispute could center on a plan circulating among Republicans to cut loan subsidies to needy students during their time in school—a move that might save \$9 billion over five years and could hit 6 million students with higher debt and payments.

This sets up a political showdown that Clinton is unusually pleased to face. He has called for increasing federal funds for college aid by 10 percent to \$35.8 billion as part of his middle-class "Bill of Rights," including expansion of many of the programs Republicans are eying for cutbacks. Clinton won major reforms in federal college aid initiatives in 1993 as part of his national service program, which he heralds as a cornerstone of his "New Covenant" to provide government help to those who help themselves. Asked if Clinton is willing to renegotiate any feature of the national service or college aid programs, one senior White House aide responded: "My guess is his answer is between 'No' and 'Hell, no.'" "A probable Clinton veto of any cuts in college aid means that these programs will survive intact for now, but there is still a good chance that his plans to expand them could be held up.

In coming weeks, the direct-lending program will grab the most attention. One of the reforms enacted in national service was the gradual phase-in of a system that would have the federal Government lend money to students directly rather than provide financial incentives and guarantees to coax banks into making the loans. Even though new workers will have to be hired by the Department of Education to run the program, it still saves considerable sums. That's why Clinton wants to accelerate its availability to all the nation's 7,000 eligible schools. But bankers and other firms that trade student loans for investors have aggressively battled the loss of this lucrative line of business and heatedly dispute Clinton's claim that the program saves money.

Their lobbying fueled by at least \$11.3 million in campaign contributions, has helped encourage Republican congressional leaders Rep. William Goodling of Pennsylvania and Sen. Nancy Kassebaum of Kansas to push legislation that would limit the expansion of the program to 10 percent of all student loans. Some moderate Democrats like Rep. Bart Gordon of Tennessee also support the move on the theory that the new lending program should be tested before it becomes the norm for all colleges. House Speaker Newt Gingrich wants to kill the program. He argues that Clinton's reforms vest too much power in the Government, especially because the lending program is run by the Department of Education, which has allowed fraud to flourish in aid programs for decades.

However, the first reports about direct lending are very positive. Students and college-based loan officers say funds are available to students in weeks rather than months. The paperwork is simpler, and college officials have to deal with only one federal office rather than many banks. "Being in direct loans has been almost a spiritual experience," says Kay Jacks, director of financial aid at Colorado State University. "It

helps us provide better service to students, period," Karen Fooks, the financial aid director at the University of Florida, says her whole office threatened to quit if it was ordered to return to the bank system from direct lending.

#### PAY AS YOU CAN

But bankers argue that doling out money is the easy part. Collecting it is something the government hasn't done very well. Many new loans will be on a "pay as you can" basis letting borrowers pay back a portion of their earnings over many years, rather than a fixed monthly payment. Adminstrating that will tax even the most efficient agency.

That is why one thoughtful critic, author Steven Waldman, has argued that this upcoming struggle misses the main point. Waldman, who wrote the recently released book, *The Bill*, about the legislative battle over national service, believes Clinton has achieved an enormously beneficial reform in the "pay as you can" scheme. It relieves some of the financial pressure on borrowers and potentially encourages them to choose socially useful—but less-high-paying—careers like teaching because their loans are pegged to their ability to pay. But Waldman argues that Clinton's achievement is jeopardized because neither banks nor the federal education bureaucracy can prevent the program from becoming another boondoggle. His solution: Call in the IRS, the only agency that "could accurately and efficiently assess a person's income and be sure to collect."

An idea like that puts tough-minded Republicans in a bind. If they want to fix a potentially flawed Clinton idea and do right by taxpayers, their best bet is to vest more power in a much-feared federal agency. Who knows, maybe the students who have newfound appreciation for the easier-to-fathom lending system run by the government might not balk too much at paying when the bills come due.

#### AMERICAN SAMOA ECONOMIC DEVELOPMENT ACT OF 1995

#### HON. ENI F.H. FALEOMAVAEGA

OF AMERICAN SAMOA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1995

Mr. FALEOMAVAEGA. Mr. Speaker, I rise today to introduce the American Samoa Economic Development Act of 1995.

For too many years American Samoa has been receiving assistance from the Federal Government on an annual basis. When 20 percent of a government's funding is dependent on annual appropriations of discretionary funds, it is difficult to make long-term plans.

The bill I have worked on with Congressman ELTON GALLEGLY, chairman of the Subcommittee on Native American and Insular Affairs, provides a secure source of funding for the territory of American Samoa. Coupled with other efforts, I believe we can develop American Samoa's infrastructure and reduce our Nation's annual deficit at the same time.

I want to thank Chairman GALLEGLY for his support and assistance in preparing this legislation. Our bipartisan effort on this bill continues a long history of bipartisan legislation in the subcommittees which have had jurisdiction over the insular areas. As the new ranking Democratic member of the subcommittee, I intend to make every effort to continue this tradition.

Mr. Speaker, I am submitting a copy of the bill for printing in the CONGRESSIONAL RECORD.

H.R. —

*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 "American Samoa Economic Development Act of 1995".

#### SEC. 2 FINDINGS.

The Congress finds that—

[In millions of dollars]

(1) funding for the United States territory of American Samoa has been based on the joint resolution entitled "Joint Resolution to provide for accepting, ratifying, and confirming cessions of certain islands of the Samoan group in the United States, and for other purposes", as amended (48 U.S.C. 1661), with commitments being made on a yearly basis;

(2) American Samoa is locally self-governing with a constitution of its own adoption and the direct election of the Governor since 1977;

(3) the territory of American Samoa has had difficulty in planning and implementing comprehensive and sustainable infrastructure based solely on annual ad hoc grants; and

(4) the territory of American Samoa and the United States would benefit from a multiyear funding commitment which promotes economic development and self-sufficiency and requires compliance with financial management accounting standards, the establishment of semiautonomous public utility authorities utilizing cost-recovery principles, and the phase-out of Federal subsidies for government operations.

#### SEC. 3. AUTHORIZATION OF FUNDING.

(a) IN GENERAL.—There are authorized to be appropriated to the Secretary of the Interior for the Government of American Samoa \$34,500,000, backed by the full faith and credit of the United States, for each of fiscal years 1996 through 2005. Such amounts shall, subject to the limits specified in the table in subsection (b), be used for—

(1) construction of capital assets of American Samoa;

(2) maintenance and repair of such capital assets;

(3) the operations of the Government of American Samoa; and

(4) reduction of unbudgeted debt incurred by the Government of American Samoa in fiscal years prior to 1996.

(b) TABLE OF MULTIYEAR FUNDING.—The table referred to in this subsection is as follows:

Fiscal year	Year No.	Operations	Construction	Deficit reduction (100% match)	Maintenance and repair (100% match)	Total
1996	1	23.0	5.5	3.0	3.0	34.5
1997	2	23.0	5.5	3.0	3.0	34.5
1998	3	23.0	5.5	3.0	3.0	34.5
1999	4	21.0	7.5	3.0	3.0	34.5
2000	5	18.0	10.5	3.0	3.0	34.5
2001	6	15.0	16.5	.....	3.0	34.5
2002	7	12.0	19.5	.....	3.0	34.5
2003	8	9.0	22.5	.....	3.0	34.5
2004	9	6.0	25.5	.....	3.0	34.5
2005	10	3.0	28.5	.....	3.0	34.5

(c) MULTIYEAR AVAILABILITY OF APPROPRIATIONS.—Amounts not expended in the year appropriated shall remain available until expended.

#### SEC. 4. ESTABLISHMENT OF TRUST.

(a) IN GENERAL.—The Government of American Samoa shall establish a trust into which the amounts appropriated pursuant to section 3 are placed.

(b) TRUSTEE.—

(1) IN GENERAL.—A trustee to administer the trust established by this section shall be nominated by the Governor of American Samoa and passed by both Houses of the Legislature of American Samoa pursuant to local law and shall be a nongovernmental entity, bonded in an amount no less than 110 percent of the maximum amount of funds which will be held in trust during any given fiscal year (hereafter in this Act referred to as the "trustee"). The trustee shall not be

the independent auditor required by section 7.

(2) REPLACEMENT.—The trustee may be terminated only by mutual agreement, or at the end of its contract for services as trustee, or for good cause. Termination of a trustee for good cause must be recommended by the Governor of American Samoa and approved by both Houses of Legislature of American Samoa.

(3) OTHER TERMS AND CONDITIONS.—The trustee shall be subject to such other conditions as the Government of American Samoa may provide under local law.

(c) TRUST FUNDS.—

(1) DEPOSIT; INVESTMENT.—The trust funds shall be deposited in an account or accounts of a financial institution insured by the Federal Deposit Insurance Corporation, and may be invested by the Government of American Samoa, or the trustee if so designated, in

only federally insured accounts or issues of bonds, notes or other redeemable instruments of the Government of the United States.

(2) USE OF INTEREST AND DIVIDENDS.—Interest or dividends earned from investment of trust funds under paragraph (1) may be used for projects contained on the approved master plan of capital needs developed under section 5, or for the costs of managing the trust.

(3) AVAILABILITY AND USE OF FEDERAL FUNDS.—Federal funds made available for the purposes described in section 3(a)(1) may be used only on projects from the approved master plan of capital needs.

(d) REPORTS.—Within 90 days after the end of each fiscal year, the trustee shall submit an annual report to the chairmen and ranking minority members of the Committee on Energy and Natural Resources and the Committee on Appropriations of the United