

billion from farm programs. This legislation could result in a farm crisis far worse than the one that gave birth to Farm Aid.

The 1995 farm bill is far too important to be sacrificed this way. That's why several of my colleagues have joined me in introducing the Farm Security Act, an alternative way to reform farm programs and secure a safety net for our farmers. We have developed a commodity support proposal that would allow market-based income support, target benefits to our smaller producers, and simplify programs. Unlike the Republican plan, our plan offers real reform. We didn't just cut funding levels by providing less of the same old programs that are already too complicated, too rigid and too inadequate.

The goal of farm programs should be to give America's farmers and rural communities a fair shake. Farmers do not want a handout. They do not want welfare. They want a program that reflects the principles that launched Farm Aid 10 years ago: a helping hand that lets them grow the best food and fiber in the world with minimal bureaucracy and with a good return on their financial and labor investments. Today, however, farm programs have become, in the minds of some people who have never milked a cow or plowed a field, a sacrificial lamb that can be offered up to fund new defense programs and unreasonable tax breaks.

For many farm families across the country, the organizations supported by Farm Aid have been all that stood between them and disaster. The counseling, educational and legal services these groups provide have helped farm families navigate some very difficult times. In my State of South Dakota, Dakota Rural Action, a Farm Aid-supported group, has been an effective voice for family farmers and rural communities. Through grassroots organization, educational programming on issues from land stewardship to meatpacker concentration, and effective policy advocacy, they have brought the voices of farmers to the halls of Congress.

I am deeply concerned about how rural communities across the Nation continue to whither as more and more farmers are driven off their land and young people find it increasingly difficult to begin farming. Now that the majority in Congress has threatened to pull the rug out from under our farmers again, Farm Aid and the groups it supports will be needed more than ever to provide support and leadership for our rural communities.

The strengths of rural America have always been hard work, fair play and commitment to community. I applaud the efforts of Farm Aid to facilitate these goals and secure a bright future for America's farmers and ranchers. There is a reason why the Midwest is called America's Heartland. It is because our farmers, ranchers and rural citizens truly represent the heart and

soul of America. If we continue to take for granted the men and women who live on the land and produce our food, we will lose an important piece of our national soul.

NATIONAL ENDOWMENT FOR THE ARTS AND HUMANITIES

Mr. PELL. Mr. President, 30 years ago today on September 29, 1995, I was proud to witness President Lyndon Johnson sign into law the National Foundation on the Arts and Humanities Act which established the National Endowment for the Arts and the National Endowment for the Humanities. That historic occasion marked the beginning of a process to preserve America's cultural heritage and to broaden access to millions of our citizens in every corner of the country, Americans who would otherwise not be able to hear a symphony orchestra concert, see a dance or theater production, or experience a great museum exhibition.

By any measure, the endowments have been a magnificent success. People are participating in our culture in record numbers. The endowments have made a difference in the lives of millions of children and their families. A cultural infrastructure has solidified and grown. In 1965, where there were 46 nonprofit theaters, there are over 425 today. The numbers of large orchestras has doubled, opera companies have increased 6-fold, and there are 10 times as many dance companies now as there were 30 years ago. In 1965, there were five State arts agencies; today every State has a vibrant public arts agency, and there are now community arts agencies in over 3,800 cities, counties and towns. Individuals who have received endowment support early in their careers have gone on to spectacular achievement, earning numerous important prizes and awards, and creating works that will prove to be an enduring legacy from the second half of the 20th century.

In my own State of Rhode Island, the endowments have supported a Music in our Schools program in Providence, a folk and traditional arts apprenticeship program and the nationally-acclaimed Trinity Repertory Theater; aided the Museum of Art at the Rhode Island School of Design in renovating its painting and sculpture facilities; and provided funds to a team of scholars at the Rhode Island Historical Society to edit the papers of Revolutionary War Gen. Nathaniel Greene for publication. Also funded was a partnership between the Rhode Island State Council on the Arts and the U.S. Department of Education to integrate theater, music and design into the curriculum of the Davies Career and Technical High School which has shown to improve overall discipline and attendance at the school.

As further testimony to their success, the small investments in American culture made by the endowments

has stimulated an extraordinary amount of private dollars. Since 1985, NEH matching funds have leveraged almost \$1.4 billion in third-party support for the humanities. Each Federal dollar invested by NEA leverages \$12 non-Federal dollars.

As we celebrate the 30th anniversary of the endowments, we are celebrating our belief in a vigorous, democratic, far-reaching culture. The Federal Government has a strong role to play in transmitting our Nation's greatest artistic and scholarly achievements to the generations of the future. As the present custodians of American culture, we must continue to do so. It would be a tragedy for the 30th anniversary celebration to be marred by a reluctance to reauthorize the National Foundation on the Arts and Humanities.

UNITED STATES SUPPORT FOR THE PEACE PROCESS IN LIBERIA

Mr. PELL. Mr. President, I would like to bring to the attention of my colleagues the recent cease-fire agreement in Liberia. After nearly 6 years of civil war, 13 failed peace agreements and protracted negotiations, the leaders of Liberia's warring factions have finally coalesced to form a government aimed at bringing peace and democracy to this war-torn African nation. This recent peace agreement, agreed to on August 19, 1995, in Abuja Nigeria, provides the United States with a unique opportunity to demonstrate leadership in restoring peace and democracy to a longtime ally, as well as to prove its concern for the stability of the entire West African region.

Mr. President, I would like to begin my statement by identifying several key actors who deserve recognition for procuring this peace agreement: Members of ECOWAS, the Economic Community of West African States, ECOMOG, the West African peace-keeping force, UNOMIL, the U.N. observer mission, and the President's Special Envoy to Liberia, Ambassador Dane Smith, I would particularly commend the extraordinary diplomatic leadership shown by President Jerry Rawlings of Ghana and his Deputy Foreign Minister Muhammed Ibn Chambas. I know and greatly admire both men; their commitment to peace in Liberia is exemplary and is one of the key reasons why this cease-fire and agreement have been archived.

On a local level, I would like to pay special tribute to my esteemed colleague on the Foreign Relations Committee, the distinguished Senator from Kansas. As Chair of the Subcommittee on African Affairs, she is a strong leader, an able manager, a model for bipartisanship, and a tremendous resource on issues regarding African affairs. Last week, Senator KASSEBAUM introduced amendment 2710, stating that it is in the interest of the United States to "strongly support the peace process

in Liberia, including diplomatic engagement, support for the West Africa peacekeeping force, humanitarian assistance, and assistance for demobilizing troops and for the resettlement of refugees."

I too, believe that it is in the interest of the United States to support this peace agreement, both diplomatically and financially. The United States has a special responsibility towards Liberia. Founded in the early 19th century by freed American slaves, the United States and Liberia have had almost 150 years of continued friendship. As pointed out in a position paper sent to me by Friends of Liberia, in World War II, American soldiers used Liberian airfields and ports as a primary base to supply the battlefields in North Africa and Europe. During the cold war, Liberia was often our only reliable ally in Africa, serving as a listening post and headquarters to the United States intelligence services. At the United Nations, Liberia has been a dependable American ally, consistently voting in support of United States positions, even when such actions were unpopular among other developing nations.

If we neglect our historic relationship with Liberia, we will jeopardize, if not lose, our reliable foothold in Africa. A limited diplomatic reaction to this peace agreement would reflect poorly on our commitment to peace and democracy on the African Continent, and would hinder future United States diplomatic and commercial interests, among others, in the region.

Given the current climate in Congress to paralyze humanitarian assistance, I believe that this situation offers an important opportunity to prove to critics of U.S. foreign aid that a small investment in seeking peace through diplomacy will yield significant returns. By heightening our diplomatic involvement and providing modest financial support to the peace process, we can help break the cycle of humanitarian need that will only continue if this disastrous war is not resolved.

American support can make the difference in securing a sustainable peace in Liberia and beyond. The international community looks to the United States as having the closest ties to Liberia, thus having the responsibility of taking the first step in assisting this peace process. Once the United States takes the lead, the European Community, Japan and other governments with historical relationships with Liberia, as well as members from the private and public sectors, are likely to follow.

Given our special relationship towards Liberia, our commitment to promoting peace, democracy, trade and human rights in West Africa, and our position in the international community as the only remaining superpower, I conclude that it is in the interest of the United States to take the initiative to develop and implement a coalition to sustain the peace in Liberia. We

must move quickly to provide the significant support, in terms of diplomatic engagement and where possible, the allocation of resources, to assist the Liberians as they move through this delicate period of transition to peace and democracy.

GIVEAWAY TO SPECIAL INTERESTS IN REPUBLICAN STUDENT LOAN BILL

Mr. KENNEDY. Mr. President, earlier this week the Republican majority in the Senate Labor and Human Resources Committee voted to cut \$10.8 billion from student loans over the next 7 years. This bill is bitter news for students and their families, who will see their student loan costs rise by as much as \$7,800 per family. But the champagne corks are popping for banks and other special interests in the student loan industry, because the same Republican majority also voted a \$1.8 billion sweetheart deal for them.

Tucked in the legislation is a series of provisions that sign over \$1.8 billion in Federal funds to the guaranty agencies in the student loan program. That \$1.8 billion should be used to ease the burden of the budget cuts on students and their families. It should not be used to bestow an unjustified windfall on the special interest student loan industry.

This new windfall comes with no strings attached. Guaranty agencies can use it to build new palaces for their headquarters, or to pad the salaries of their executives, which for one official already exceeds \$600,000 a year. They can even literally take the money and run. Under current law, if a guaranty agency goes out of business, the reserve funds that it has accumulated under the Federal student loan program are returned to the American taxpayer. Under this new giveaway, the officers and directors of a guaranty agency could close down the agency and keep the funds for themselves.

Forty-one guaranty agencies participate in the Federal student loan program. They function as middlemen between the banks, who loan funds to students, and the Federal Government, which bears the risk on the loans. The guaranty agencies maintain records on student borrowing, collect on defaulted loans, and advance funds to lenders for defaulted loans. The guaranty agencies are reimbursed by the Federal Government for those advances. The agencies are then permitted to pursue the defaulted debts, and keep 27 cents of every dollar over and above the reimbursed amount.

In the course of the past three decades, the guaranty agencies have accumulated \$1.8 billion in what are called reserves. These reserves began with seed money advanced to the guaranty agencies by the Federal Government in the early years of the loan program, of which \$40 million now remains. Since then, the agencies have accumulated \$1.8 billion in additional reserves from

other sources. Ninety-eight percent of those reserves come from insurance premiums paid by students under the Federal student loan program, payments received from the Federal Government for default claims and administrative expenses, and investment earnings on the reserve funds.

The reserves were originally intended as a financial cushion to enable the guaranty agencies to have enough funds to cover defaults in the student loan program. Now, however, the Federal Government bears virtually all the risk on the loans, and the cushion is no longer needed. There is no doubt that the reserves are federal funds. They certainly do not belong to the guaranty agencies. If the Federal Government were to take back the reserves, the Congressional Budget Office would score the reclaimed reserves as a savings to the taxpayer of \$1.8 billion.

The Republican student loan bill, however, does exactly the opposite. Rather than reclaiming the reserves in order to reduce cuts in student aid or to reduce the deficit, the bill turns over to the guaranty agencies—no strings attached—all but the \$40 million of taxpayer funds originally given to the agency reserve accounts. Secretary of Education Riley has called this giveaway "an alarming development that would further exacerbate the current problems in the student loan industry."

I urge the Senate to block this \$1.8 billion Republican raid on the student reserve funds. It is unconscionable for the Republican majority to slash \$7.6 billion from student loans, while sneaking \$1.8 billion out the back door and into the pockets of the very people who have profited for more than 30 years on the backs of students. This is corporate welfare of the worst kind, and the Senate should reject it.

I ask unanimous consent that a letter on this issue from Secretary Riley and a memorandum from General Counsel Judith Winston of the Department of Education be printed in the RECORD.

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

U.S. DEPARTMENT OF EDUCATION,
THE SECRETARY,
Washington, DC, September 28, 1995.

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, DC

DEAR SENATOR KENNEDY: I am writing to express my serious concern about a particular provision of the Student Loan amendments recently passed by the Senate Committee on Labor and Human Resources as part of its budget reconciliation package. In particular, under the guise of strengthening guaranty agency reserves, Section 1004(e)(2) of the bill would have the effect of giving away approximately \$1.8 billion in Federal assets to non-profit and State guaranty agencies.

An analysis of the effect of the proposed change on the Federal interest in the guaranty agency reserve funds by the department's General Counsel is attached for your consideration. In my view, enactment of this