

has commanded that the sacred powers of procreation are to be employed only between man and woman, lawfully wedded as husband and wife.

We declare the means by which mortal life is created to be divinely appointed. We affirm the sanctity of life and of its importance in God's eternal plan.

Husband and wife have a solemn responsibility to love and care for each other and for their children. "Children are an heritage of the Lord" (Psalms 127:3). Parents have a sacred duty to rear their children in love and righteousness, to provide for their physical and spiritual needs, to teach them to love and serve one another to observe the commandments of God and to be law-abiding citizens wherever they live. Husbands and wives—mothers and fathers—will behold accountable before God for the discharge of these obligations.

The family is ordained of God. Marriage between man and woman is essential to His eternal plan. Children are entitled to birth within the bonds of matrimony, and to be reared by a father and a mother who honor marital vows with complete fidelity. Happiness in family life is most likely to be achieved when founded upon the teachings of the Lord Jesus Christ. Successful marriages and families are established and maintained on principles of faith, prayer, repentance, forgiveness, respect, love, compassion, work, and wholesome recreational activities. By divine design, fathers are to preside over their families in love and righteousness and are responsible to provide the necessities of life and protection for their families. Mothers are primarily responsible for the nurture of their children. In these sacred responsibilities, fathers and mothers are obligated to help one another as equal partners. Disability, death, or other circumstances may necessitate individual adaptation. Extended families should lend support when needed.

We warn that individuals who violate covenants of chastity, who abuse spouse or offspring, or who fail to fulfill family responsibilities will one day stand accountable before God. Further, we warn that the disintegration of the family will bring upon individuals, communities, and nations the calamities foretold by ancient and modern prophets.

We call upon responsible citizens and officers of government everywhere to promote those measures designed to maintain and strengthen the family as the fundamental unit of society.

Mr. President, I suggest the absence of a quorum.

THE PRESIDING OFFICER (Mr. KEMPTHORNE). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

#### STUDENT LOANS

Mr. DEWINE. Mr. President, I rise today to discuss what the Republican balanced budget bill, the bill that President Clinton vetoed with such fanfare last week, would accomplish in a very important area; that is, the area of student loans.

Mr. President, a great deal of attention has been paid to this issue. I do not think most people have heard the

whole story, the real story. The real story is this: The Republican balanced budget plan will decrease—let me repeat, decrease—the cost of higher education for American families.

The compromise worked out between the House and Senate reduced mandatory spending in the student loan program by \$4.9 billion—a savings of \$4.9 billion. We achieve this goal without—without—increasing the cost of student loans for students, for their parents, or for the colleges. We made these reductions by cutting the administrative overhead of the Federal bureaucracy and by reducing the Federal spending—to banks, secondary markets, guaranty agencies, and other private lenders who administer the guaranteed student loan program.

Mr. President, none—let me repeat, none—of these cuts can be passed on to the students, parents, or to their colleges.

In addition, the Republican balanced budget plan did not achieve this \$4.9 billion in savings by cutting the amount of money made available to students and their parents for college education.

Mr. President, I think these are two very important points. The Republican balanced budget plan does not ask students or their parents or colleges to pay more for student loans. The Republican balanced budget plan does not cut the amount of money made available to students and their parents for a college education. The fact is, Mr. President, and the rest of the story really is, balancing the budget as our overall budget plan would do, would ultimately decrease the cost of students loans. It only makes sense.

If we balance the Federal budget, which will reduce interest rates, the cost of borrowing by students and their families will fall. For example, a student that borrowed \$11,000 at an interest rate of 8 percent will repay \$18,578 over the life of the loan. By balancing the budget in 7 years and by reducing interest rates by 2 percent that same student repayment amount will be lowered—lowered—by \$2,167, resulting in a lower yearly payment of \$216. That is real money.

Mr. President, it is clear these policy changes will not make it more difficult for families to pay for their children's education. Just the contrary. What our changes will do will be to make it easier for families.

In addition, our Republican balanced budget plan will provide students with a tax deduction on a portion of the interest they pay on student loans. If you average it out, Mr. President, the average borrower will save \$8 a month—\$8 a month.

The number of student loans is scheduled to increase as well. Let me repeat that: The number of student loans under our plan is going to increase. In 1996, it will be higher than ever before with over 7.1 million student loans. The Congressional Budget Office projects that student loans will

continue to rise through the end of the century. This year the volume of student loans stands at about \$24.5 billion; by the year 2000 it will rise above \$33 billion. That is an increase of nearly 50 percent.

Mr. President, the average student loan amount will rise from today's \$3,646 to \$4,300 in the year 2000. So the balanced budget plan, our balanced budget plan, will help make education more affordable.

The bill will also make substantive changes in the law that are both wise and necessary, changes that will make the lending system fair and more efficient. The Republican balanced budget plan will extend to those students who are in the guaranteed loan program the same benefits enjoyed by those who participate in the direct lending program.

Mr. President, today if you are a student receiving loans under the direct lending program, you have a wide variety of options for repayment. You can have an extended repayment or income-contingent repayment. These and other repayment options make it easier for young people to make the transition from college life to the working world. A young person getting out of college may decide to take a job that pays little but will give him or her a lot of experience. There is no reason that student should not be allowed to pay the loan back further in the future when he or she is making more money. That is flexibility.

Mr. President, you can do that with the direct lending program. I believe it is only fair that we extend those same options to students in the regular guaranteed loan program. That is what the Republican balanced budget plan will do.

We have just received a few details on what the President's proposal would do. It is clear that the President's plan would take away from the benefits that students would receive under the Republican balanced budget plan. The President's proposal, the Clinton proposal, would eliminate the expansion of repayment options to students in the guaranteed loan program. Under that plan, only students in the Federal direct lending program—only in the direct lending program—would have flexible repayment options. That is an endorsement, I believe, of the status quo, which really is unfair.

Mr. President, that is some of what the President proposes. We are waiting, as I speak this morning, for more details. The more we learn, the clearer it becomes that the Republican budget plan in regard to student loans is better for students, is better for their parents, is better for the colleges. The Republican balanced budget plan provides a tax deduction for interest on student loans, the first time since 1986. It provides flexible repayment options for all students. Most importantly, it cuts the deficit without making a college education less affordable for students, parents, and colleges.

In summary, Mr. President, the Republican balanced budget plan constitutes a major step forward for the young people in this country. I believe strongly that these student loan provisions ought to be incorporated in whatever final budget compromise is reached between the President and the Congress. Students, parents, or colleges should not be made to pay more for a college education. The Republican balanced budget plan did not make students, parents, or colleges pay more. The President's plan should not either.

I see also on the floor my colleague from Indiana who has played such a major role and has really taken the lead in shaping this very responsible plan that we have put forward. It is a plan I know he is proud of and I am proud of, as well. I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from Indiana, Mr. COATS, is recognized for up to 45 minutes.

### STUDENT LOANS

Mr. COATS. Mr. President, I will not take nearly that much time. I thank my colleague and friend from Ohio, Senator DEWINE, for his support throughout this effort. I will take a portion of that allotted time to explain what we are about and why we feel it is so important, at this particular time, to define the future for those students and parents who are anxiously wondering about what their opportunities will be to secure guaranteed loans for college expenses and university expenses in the future.

As many who have followed this issue know, after weeks of negotiations, the Senate and House reconciled the differences between their two pieces of legislation regarding student loans, and came up with a savings figure of \$4.9 billion. We had to do so because, in an effort to balance the budget, which is a noble effort which will hopefully come to a conclusion here in this next week, each committee was directed to achieve a certain amount of savings.

The Labor and Human Resources Committee has a very limited impact in terms of the savings that it can contribute to this balanced budget effort and, in fact, had very little other choice other than to look at student loans. We were faced with somewhat of a dilemma. We know college costs are rising and tuition costs are rising. We know cutting back on the amount of loans available, or the repayment obligations of those loans, puts a serious crimp on families and students alike. So, what we were able to do is come up with our recommended savings, \$4.9 billion, without decreasing, without limiting, without imposing any new costs on students, on their families or on the schools. Not one student or one parent will pay 1 cent more for a student loan under the Republican reconciliation package, the balanced budget package, than they pay today.

This debate has gone on for more than a year, but particularly this year.

And, unfortunately, there is a tremendous amount of disinformation being spread by the administration that somehow students and parents are going to be adversely affected by these drastic cuts in education; that students will not be able to secure loans to pay for their future education.

Demonstrations have been held during hearings. The hearing room is packed with students coming down. As we point out the facts to these students, they are almost in disbelief, because they have been told that the Republican balanced budget plan is going to drastically reduce their ability to secure student loans and drastically increase the repayment obligations on those loans.

The fact of the matter is, not 1 cent of additional cost is being imposed on students. Mr. President, 70 percent of the \$4.9 billion are costs that are imposed on the banks and guaranty agencies and secondary markets who participate in administering these loans: Taking the applications, determining who is eligible, providing the money, doing the repayment collection and so forth. Those are the agencies that will take a second, additional, substantial increase in the amount of expenditures that they will have to absorb without passing any of that on to the students or the parents who take out the loans.

The 1993 Budget Act imposed a very substantial cost, several billion dollars of additional costs on these banks and agencies, and now we are adding an additional \$4.9 billion. All of the rhetoric coming out of the Department of Education and coming out of the administration speaks to the opposite of what is happening. Because the balanced budget package actually affords students not only the ability to retain their existing benefits in the same form that they currently exist, but creates new benefits by ensuring that the two student loan programs, the guaranteed loan program and the direct lending program, will offer the same benefits to students. For example, until now, students receiving loans through the direct lending program were given the option of an income-contingent repayment. That is, their repayments were based on their ability to repay—income-contingent. Under the package that is now presented to us, this same option will be extended to students in the guaranteed loan program as well as the direct lending program.

Furthermore, students, their families, and colleges were protected from a precipitous move to an unproven program by capping the direct lending program at 10 percent of total loan volume. The administration has opposed this cap because the President and Department of Education have been committed for some time to a very dramatic extension, an expansion of this program, the direct lending program, and were not willing to take some time and set aside a demonstration to see whether or not it would be in the bet-

ter interests of the students and colleges and actually provide the savings they claim.

Initially, the savings claimed started out somewhere close to \$12-plus billion. That was revised to \$6 billion. Then we finally got an estimate back from the Congressional Budget Office saying that, no, it not only would not save money for the Government, it would actually cost money because of a number of factors including administrative costs at the Department of Education.

A point we are trying to deal with here is that if we were to adopt and accept the President's proposals to continually raise the cap and eventually get, I think, to a program that only administered student loans through the direct lending program, we are likely to see the termination of the competing program, the guaranteed loan program, because these agencies cannot continue to absorb increased administrative costs while their market for distributing loans continues to shrink, as more shift over into the direct loan program. So the conferees thought that what we ought to do is double the current size of the direct lending program from 5 to 10 percent, put a cap on that 10 percent, test it as a demonstration program to see how we could administer it efficiently and effectively to see whether or not it lived up to the claims that were made for it, and then make a final decision on what the best way to offer student loans to students would be.

The Clinton plan began by removing any participation target for direct lending, effectively allowing, as I said, direct lending to go to 100 percent, as the administration has been pushing as recently as 5 months ago in legislation that it sent to the Congress. At the same time, the administration was imposing virtually all of the subsidy reductions on the guaranteed loan program, the other program, added to, as I said, increases in costs that were imposed in 1993. Taken together, these subsidy reductions along with the open-ended level of the direct loan program, in my opinion and in the opinions of many, would have effectively ended the guaranteed loan program and effectively denied and taken away the choice for the vast majority of the Nation's schools and students.

Again, let me state the facts. Even though we are putting together a plan to balance the budget in 7 years, the decision was made that we will not achieve savings by imposing on students or their parents or the schools or universities any additional costs. That ought to be good news for every college, every university, and every student and young person in this country. Despite that, we continue to hear and read the rhetoric coming out of the administration that we are denying opportunities to students and imposing higher costs on them. That is simply not true.

Make no mistake, there is a real higher education debate going on. But