

the misguided notion here in the beltway that tax dollars belong to the Government, rather than the taxpayers.

Imagine the dramatic deficit reduction we could achieve if, instead of plowing the CBO's \$135 billion into more social spending, against the wishes of the taxpayers, we dedicated it toward eliminating the deficit.

How much sooner would we balance the budget and start down the road toward a debt-free future for our children and grandchildren if we invested that \$135 billion in their future, and not on another quick fix for the big spenders in Washington?

After all, if the politicians have their way, how much of that \$135 billion will truly be spent meeting needs, and not simply offering dessert?

Or imagine what we could do for the taxpayers of this Nation—who have been forced every year to finance the political agenda of a Congress that simply never learned to say "no"—if we handed them back that \$135 billion in the form of tax relief?

Have we forgotten that it is their money to begin with, not the Government's? Mr. President, it is as if you and a friend were walking down the street and happened across a wallet plump with cash. For most of us, there is no moral dilemma—it is not our money.

We would return it to its rightful owner, no questions asked. Well, there is apparently no moral dilemma for Congress, either—it would spend the money, even \$135 billion dollars, long before the wallet's owner even realized it was missing.

By dedicating it toward tax cuts, Congress could do a lot of good with the CBO's \$135 billion in unexpected revenue. What about expanding the tax relief provisions already called for in our Balanced Budget Act?

We could make the \$500 per child tax credit be retroactive back to January 1, 1995, and help offset the devastating effects of President Clinton's retroactive tax increase in 1993.

We could make the \$500 per-child tax credit refundable against payroll tax liability, enabling lower-income, working Americans the opportunity to keep more of the dollars they so desperately need to keep their families fed and clothed, with a secure roof over their heads.

We could eliminate the marriage penalty this year—not 7 years from now.

We could empower senior citizens to once again become productive members of the workforce by repealing the Social Security earnings limit—another tax increase imposed by President Clinton in his 1993 budget.

We could index the capital gains tax back to an earlier date as well.

Mr. President, by intelligently utilizing the CBO's new forecasts, there are a great many things we could do to expand on our promise to the American people to cut their taxes while we are balancing the budget.

But blocking our way is a White House intent on financing more and

more Federal spending at the taxpayers' expense, and you won't find a more vivid illustration of just why we need the deficit lockbox and the protections it would provide.

If there are any extra dollars in the Federal budget, they should be returned to the millions of American taxpayers who finance this Government every day with sweat and blood, not to Congress or the White House for bigger Government.

I do not know what it will take to convince me that President Clinton and the big spenders on Capitol Hill are truly serious about getting Government spending under control, but I do know they will never do it by trying to compete with Santa Claus.

If they want to don red suits and beards and finance more Government agencies, more bureaucrats, and more Federal programs, they will have to cut spending somewhere else to pay for them. The holiday season may be a time for giving, but the taxpayers have already given until it hurts.

You can call me old fashioned, but a gift that reflects the true spirit of Christmas is not about giving in the hope of getting something back in return. It is about giving something from the heart.

A balanced budget is that kind of gift, Mr. President. You cannot wrap up a balanced budget, or engrave it, or put it under a Christmas tree. It is not the kind of gift that will score you points with relatives looking for a holiday handout or get you in good with the boss or impress a neighbor.

You cannot really hand it to anyone and get a thank you in return. You can, however, look into the faces of those who will someday appreciate this gift most of all—our children and grandchildren, because once the Federal budget is balanced, they will finally be free. That, Mr. President, will be the greatest Christmas gift Congress could deliver this holiday season—that is, to work out a balanced budget before we leave on December 22.

Thank you, Mr. President.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SIMON. 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 DIRECT LENDING

Mr. SIMON. Mr. President, I understand that two of my colleagues spoke in opposition to direct lending this morning on the floor of the Senate. I will respond to what I had been told by my staff was said on the floor.

First, just by way of background, let me just say there are 1,350 colleges and universities that now have direct lending. I do not have the list in front of

me, and I cannot tell you, Mr. President, what schools in Wyoming are using direct lending. I know that in every State outside of Alaska there are schools using direct lending. It is interesting that not a single college or university that has direct lending wants to go back to the old system. We just received a report from the Colorado State auditor saying that the University of Colorado is saving \$192,000 a year under direct lending in bookkeeping and other personnel costs.

Let me respond to the specific charges or statements. It said under the plan that the President vetoed, all students could get flexible repayment. Under direct lending if you want to, you can have income-contingent repayment, that a percentage of your income can be set aside for repaying a loan. That was not the case under the old program. The actual language of the bill is, Mr. President, that a lender "may," at the discretion of the lender, offer the borrower the option of repaying the loan in accordance with an income-contingent repayment schedule. That is very different from saying they "shall." In other words, banks "may" do it. But, of course, banks could do it before. The reality is very few banks are going to do it except if they are under competition from direct lending and they think they have to.

Also, added in conference on the income contingent, on income contingent, you repay for 25 years. At the end of 25 years if you become a nun or if you enter some work where you do not receive income, at the end of 25 years it is forgiven. In conference, it kept that forgiveness, but said the interest would be paid to the banks no matter what. The claim was that the plan the President has vetoed would double the direct loan program from 5 percent to 10 percent. The reality is 10 percent of the schools had it the first year. We are in the second year now and almost 40 percent of the schools in the Nation now have direct lending. It is just universally popular. We have, in Illinois, 67 schools using direct lending now. I have yet to hear anyone say that it does not work.

One of our colleagues cited an op-ed piece in the Washington Post saying there is no cost difference to the Federal Government between direct lending and the old system. Now, if there is no cost difference, then give colleges and universities the choice. The reality is the op-ed piece in the Washington Post did miss several points that Secretary Riley mentioned in the letter to the editor. One of the very fundamental points is that under direct lending, when the Federal Government issues bonds, we collect income tax on those bonds, on the interest on those bonds. When guaranty agencies issue bonds, those are nontaxable bonds. The difference, over a period of 7 years, is about \$1.3 billion. The Congressional Budget Office says if you apply the present law—not the cooked books of the budget that was passed—to both

programs, direct lending saves \$4.6 billion.

The claim is that the direct lending transfers the loan program from the private sector to the Government. Now, it is true that some of the banks clearly are private sector, though as our former colleague, Senator David Durenberger—and the Presiding Officer did not have the chance to serve with him here in the Senate, but he was a very thoughtful Member of this body,—Senator Durenberger, in comments to a group of bankers when they said, "Let's use the free enterprise system," said, "This is not free enterprise; this is a free lunch."

When you build into the law what the profit is and you say we will give you 98 percent to 100 percent of the profit, that is a pretty good deal. The average bank makes more money percentage-wise on a student loan than on a house mortgage or a car loan—more than any other transaction other than a credit card transaction.

Then the guaranty agencies operate with our money. The Inspector General of the Department of Education says there is \$11 billion worth of Federal money at risk with the guaranty agencies. There is one in Indiana, for example, where the chief executive officer of that guaranty agency set up with Federal funds—and I fault myself for not being more careful, along with others, in setting this up—his pay is \$627,000 a year. Not bad when we pay the President of the United States \$200,000 a year. That guaranty agency spent \$750,000 to lobby against direct lending. This is, indirectly, Federal money.

The claim was made that the Education Department has to hire 400 new people to run the direct loan program. The reality is that a fraction of the number of people are required because you are not dealing with 7,000 different credit agencies—banks and guaranty agencies. It is a much more efficient system.

I mentioned the University of Colorado. They testified before us, and they said they have been able to use two less personnel to advise students, and they have canceled four computers that they had leased, and they saved substantial amounts of money.

The statement, "We should balance the budget without cooking the books"—I could not agree more. And the budget, unfortunately, as the Chicago Tribune mentioned, does "cook the books."

The simple reality is sometimes Government does something that is right. Sometimes Government does something that is wrong. The old GI bill, that the Presiding Officer may be too young to remember, the old GI bill was a Government-run program that was a great program. Direct lending is a Government-run program. It simplifies things. It cuts out the middleman. If we want to have an "assistance to banking act," let us call it that. Do not label it assistance to students and then have an assistance to banking act.

It was noted in the newspapers the day before yesterday that the banks of America had their best quarter ever this last quarter. I am pleased with that. Maybe like the Presiding Officer, I have a mortgage on my home. I want those banks to stay in good health. I want these pages, in the years to come, to be able to get mortgages. I want banks to be healthy. But I do not want to subsidize banks and call it student assistance. I want to give colleges and universities the choice.

If there is no cost to the Federal Government, as the Congressional Research Service says, by having the choice, or if, as the Congressional Budget Office says, we save money, by all means we ought to give colleges and universities the choice. I think it will mean the difference between hundreds of thousands of people going to college or not going to college.

One of the other great advantages of direct lending that I did not mention earlier is it is open to everyone. Under the old open loan program, you have to fall below a certain income level and you have to meet other criteria. This is open to all American citizens and all people who are legally in our country. It is much more simple, reduces paperwork—it is a great program.

Sometimes Government does things that, frankly, embarrass us who serve in Government. Here is an instance when Government does something we can be proud of. I hope, when the dust settles on all this, we will keep the option of direct lending for the colleges and universities of the country.

Mr. President, I note no one came rushing to the floor to hear my remarks. I do not see anyone here requesting the floor, so 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. THOMAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GRAMS). Without objection, it is so ordered.

GRAZING REGULATIONS ON PUBLIC LANDS

Mr. THOMAS. Mr. President, let me bring up a subject that is very close to my heart, to my State of Wyoming, and to the West. This is an issue that I hope we will be dealing with in the next week or so, and it has to do with regulations on grazing on public land. That is not a topic that is of great interest to everyone, but it is one that is of great interest to that region of the country. You have to sort of get a little feel for what that means to public land States before you go into the details.

The State of Wyoming is 100,000 square miles, half of which is owned and controlled by the Federal Government. In that, of course, are parks, for-

ests, wilderness, and a substantial amount of Bureau of Land Management [BLM] lands which are the lands that were residual lands that were never taken up in homesteading but remained in Federal ownership—never withdrawn for any particular purpose, as was the case with the forests or the parks or the wilderness areas—but, all in all, more than half of Wyoming. And it is much higher in other places. Nevada, as I recall, is 87 percent federally owned.

So the management and the economic decisions that are made with respect to these lands are very important to these multiple-use lands. Some of the land, such as Yellowstone Park, Teton Park, and Devil's Tower, of course, are set aside for a very specific and peculiar purpose because they are unique lands. We are talking about those that are for multiple purposes managed by the BLM or managed by the Forest Service.

One of those purposes is grazing. There are many others, of course, such as hunting, fishing, recreation, mining, oil and gas, and coal. Much of the coal in Wyoming, which is the largest producer of coal in this country, is on public lands. Of course, those activities produce royalty fees that are paid both to the Federal and State Governments.

The reason for our bill is something of a response to the problems that have been created, I believe, by the efforts of the Secretary of the Interior over the last 3 years to reform rangeland regulations, which is basically, we believe, to bring more and more of the decisions to Washington, while our purpose is to bring more of the decisions closer to the people who are governed.

For the first 2 years that this administration was in place, particularly this Secretary of the Interior, there was a great deal of controversy going on. The "war on the West," which most of us believe is a genuine war on the West, has been staged. There were many visits there by the Secretary and people related to the Interior Department in an effort to talk and to come to some conclusion. And, quite frankly, none was ever agreed to. The longer the talks went on, the more controversy there was.

So in the Congress we have sought to put together a grazing bill, and have passed one. The purpose of it is to react to these regulations put forth by the Secretary which were generally unsatisfactory to the West.

Let me talk just a moment about some of the things that are involved.

One is public participation. This is public land. We understand it is public land. The decisions that are made there should provide opportunities for people to participate, not only those who will be involved in the activity, whether it be grazing, or whether it be oil, or whether it be fishing, but anyone who has an affected interest. This bill provides for that.

This bill was passed last summer, and there was a good deal of discussion