

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

about it in the country. We went back again several weeks ago and did it again in the committee and, hopefully, will have it on the floor. Public participation was broadened and ensured.

There was a notion, when the bill came forth, that it made grazing the dominant use over other uses in multiple use. Not true, nor was it intended to. However, as we came back we specifically put language into the bill that says there is no dominant use. Grazing is not a dominant use. It is a multiple use, and these uses should have a full opportunity.

Environmental protection. The environmental protection under this will continue to be there as it has been before. Laws like endangered species, NEPA, and others will apply, of course, as the decisions are made by the Department.

Standards and guidelines—which does not mean a lot to most of us—has been the core of much of the problem. Standards and guidelines means the rules that will be laid down in Washington for the conduct of this whole issue. We believe, those of us in the West, that the main thrust of the Babbitt operation was to bring these standards and guidelines more to Washington and that we would have a one-size-fits-all kind of a thing that was sent out from Washington to all of the Western States. Our bill provides that local universities, local State agriculture departments, would be involved in the establishment of standards and guidelines. We think that is important.

Fees. The secretary does not deal with fees. We have set up a fee for the grazing program that is based on the value of cattle in the marketplace at a particular time and raise the fees over what have been paid by about 30 percent.

So, Mr. President, we hope that this bill will come before Congress. We think it is a reasonable bill that, again, provides for multiple use and provides for the economic future of the West.

It has always been curious to me that States who came into the Union on an equal basis, according to the Constitution that there should be equity among the States, but that a Cabinet Member in Washington can have more impact on the economic future of Wyoming than anybody in Wyoming, to make rules for 50 percent of the State, a State that is very oriented to minerals, very oriented to agriculture, and agriculture is based on cattle and sheep.

So we think this is a reasonable, bipartisan effort which will be brought before the Senate, hopefully before the end of the year, and will give some stability to a way of life.

It is also important—and I hope later when I come back, and I know you are anxious to hear more—that we will have a map. It is important to see the way ownership patterns exist in the West. For example, one of the things that happened in the development of the railroads is that 20 miles on either

side of the Union Pacific Railroad, which was encouraged to develop the West, every other section was given to the railroad to do this, and the other sections remain public. They are still that way. It is called the checkerboard.

These are lands—this is not Yellowstone Park—that are arid, high plains, not particularly productive. So there are no fences, of course. Indeed, you really cannot afford to fence it because it takes anywhere from 50 to 60 acres for an animal unit, and it is shared with antelope, deer, and with elk in some places.

So what I am saying is that these lands are not independently able to function. The same is pretty much true with the whole State in terms of ranches. When the lands were settled under the various settlement acts, the homesteaders, of course, took up the riverbeds, streams, water, the trees, and took up the best of the land, obviously. That which was left is now in Federal ownership. It is very difficult to separate those two things both from the standpoint of livestock and from the standpoint of wildlife. Livestock needs to have the winter feed, the water, and the cover, but in the summertime needs the grass to be able to graze on public lands.

The other side of that, of course, is that the wildlife, which basically lives on the public lands, needs in the winter to have the water and the water developed by the ranchers in their private land.

Mr. President, we look forward to finding a way in which these public lands can be managed to the benefit of the public, to the benefit of this country, and to the benefit of those users in Wyoming.

I thank you very much. I yield the floor. 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. ROTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. ROTH. Mr. President, I ask unanimous consent that I may speak as in morning business.

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

#### REFORMING MEDICAID

Mr. ROTH. Mr. President, according to a familiar advertisement in the Nation's Capital, "If you don't get it, you don't get it." Anyone who read the December 12 editorial in the Washington Post entitled "Budget Sticking Point," now gets it and understands there is, indeed, a historic struggle being waged over Medicaid.

Over the past several months, the local liberal spin on the Republican proposals on welfare, Medicaid, and Medicare, has been that we were not

really interested in reforming these programs.

According to the critics, the Republicans were only hunting for budget savings without regard to sound public policy. And to its credit, the Post realizes this is empty campaign rhetoric and there is, indeed, much more at stake.

But while the Post concludes the Federal mandates in Medicaid must be preserved, Republicans believe they must end precisely for the same reason. Who should decide how much more than \$1.5 trillion should be spent on health care over the next 7 years, the bureaucrats in Washington or the Governors and State legislatures?

Spending \$1.5 trillion represents tremendous power. The Republican proposal to invest this responsibility in the States represents a sea-change in how Government works. This realization shakes Washington to its very core. If we are successful, Washington will no longer be the center of this power and that is precisely why so much effort is being made to scare people about the Republican proposals.

This debate over Medicaid is just one chapter in the larger struggle over our system of federalism. The debate goes to the heart of our beliefs about 50 sovereign States united together as a nation. The partnership between the Federal Government and the States in running the current welfare system has been a pretense in the recent past. Over the past few years, the partnership has, in fact, been an adversarial relationship, based on mutual distrust, suspicion, and threats. President Clinton understand this when, as a Governor a few years ago, he joined 47 other Governors to petition Congress for a moratorium on new Medicaid expansions.

Despite the pleas of the Governors, there was no moratorium. Medicaid costs tripled between 1985 and 1993. In 1980, Medicaid spending accounted for about 9 percent of all State spending. In 1990, it accounted for about 14 percent of State spending. Medicaid now consumes 20 percent of State spending.

This trend is a threat to our system of federalism. As Medicaid places greater fiscal demands on States, they have been forced to reduce their percentages of spending on education, transportation, and other vital governmental services. For example, the General Accounting Office reports that Medicaid nearly equals the State expenditures for elementary and secondary education combined. This is a very important yardstick as education has generally been the largest segment of State budgets. Without reform, there will be no choice about how States will determine priorities among important services, the funds will simply go to Medicaid. Washington has seized the power of decisionmaking from those elected officials closest to the people.

The significance of reversing this quiet coup has been distorted by those who share in the power gained by it. The argument that the poor and the institutions which serve them will be