

Colorado Legislature. At the University of Colorado at Boulder and Colorado State University, the implementation of direct lending saved the universities \$192,000 and \$133,000, respectively, in a single academic year.

Direct lending also works better for students and colleges than the guaranteed loan system. According to colleges participating in direct lending, it provides excellent service. The application is simpler and the disbursing process is more prompt. Students spend less time filling out paperwork and waiting in lines. Loan funds get to students more quickly.

In 1993, when the University of Colorado at Boulder was using the old guaranteed loan program, only 3,000 checks were available to students by the first day of class. This year, under direct lending, 6,600 checks were ready for students to buy needed books and supplies. One student called it "the best thing since microwave brownies."

Colleges and universities across the country share this view. In a survey by the Education Daily, more than 90 percent of participating colleges and universities called direct lending "excellent."

Direct lending has also created more flexible repayment terms. It gives students the option of paying their loan back as a percentage of their income. When graduates are starting a family, working in their first job, starting a business, or going into public service work, they can make smaller payments.

Our Republican colleagues claim that their budget bill would extend flexible repayment terms to students in the guaranteed loan program. But under the Republican plan, the availability of flexible repayment options, such as income-contingent repayment, would depend on whether a particular guaranteed loan holder chooses to offer it.

Ask colleges and universities what they think. They're outraged at being forced out of one of the most successful reforms in the history of Federal aid to education. Some colleges and universities across the country have written urging Congress to reject this arbitrary limit on their ability to choose the loan program that best serves their students.

Over a hundred of the colleges that signed the letter are not in direct lending. But they too recognize its benefit for their students. As they put it:

Those of us who represent institutions that are satisfied with the guaranteed student loan program also support the continued availability of the direct loan program to institutions. The competition created by direct lending has induced banks and guarantors to improve the efficiency of their delivery process, and has, for the first time, provided the student loan industry with market-based incentives to provide better service. The guaranteed student loan system has improved more since the phase-in of direct lending two years ago than it did over the more than two decades of existence prior to 1993.

The message doesn't get much clearer. Colleges and universities across the

country are unanimous. The student loan system needs more competition, not less. With direct lending, both of loan programs have been working more efficiently because of the competition. What we saying is let competition rule. Let colleges and universities make the judgment themselves, not have that dictated from Washington.

What are our Republican friends afraid of? Why not let the two systems compete fair and square? Let the marketplace pick the winner, not Congress.

It is hard to find a more vivid or disgraceful example of the prostitution of Republican principles. When a special interest's Government-guaranteed profits are at stake, Republicans are more than willing to sell out free-market competition, and continue the heavy hand of a Government-guaranteed monopoly.

It's obvious what's happening here. Direct lending is taking colleges and universities by storm. It's one of the best new ideas in higher education in years. It's good for colleges and good for students, and it saves Federal dollars.

Direct lending has already established its solid appeal to the country. It's already captured 40 percent of the market in 2 short years.

So the guaranteed loan industry has mounted a desperate last-ditch lobbying campaign to persuade Congress to roll back direct lending.

Republicans should scrap their cynical attack on direct lending. They should let competition work. They should allow colleges and universities to choose the kind of loan program they want. And if they do, they'll find \$2 billion more to put into deficit reduction at this stage of our balanced budget negotiation.

CBO has finally come out on this issue and found that this will be more costly to the Federal taxpayers, something that we have known for some period of time, and they have come out with that report at the present time. That, I think, gives the administration strong arguments to stand by their position to give choice to the States and the colleges and universities on which way they want to go, direct loans or guaranteed loan program.

We hear so much rhetoric, do not let Washington dictate what is good back home in Montana or Massachusetts.

If there is ever an example of that, Mr. President, it is permitting the colleges and universities in our 50 States to make their own judgments which direction to go in, what we do now. When they go to the direct loan, it saves the overall taxpayers billions of dollars. That has been reaffirmed once again this afternoon with the Congressional Budget Office review of these figures and statistics which are the best evidence.

I thank my friend and colleague from Virginia for permitting me the opportunity to address the Senate.

Mr. DOLE. Mr. President, what is the pending business?

## THE CONTINUING RESOLUTION

The PRESIDING OFFICER. The Senate is in morning business.

Mr. DOLE. Mr. President, let me indicate that we have had very little success in the first, what we thought would be a serious negotiation on the budget. Apparently they were not serious. The offer by the President was filled with smoke and mirrors. I said earlier we might not be around here this weekend. Now I think there is a great likelihood we will be in session tomorrow and maybe unavoidably on Sunday.

The House will probably send us a continuing resolution with some attachment. I am not certain quite what that would be. Maybe welfare reform. And that might take some debate, unless we get consent that everything passes by voice vote. So I need to alert my colleagues not to get too far away. And I will keep my colleagues informed as soon as I have further information.

But it appears that there is not much prospect, not much reason to continue trying to negotiate with the White House when they do not want to really get serious about balancing the budget over the 7 years without falling back on the old smoke and mirrors and things that we thought maybe had changed.

I think our next step would be to try to negotiate with some of our Democratic colleagues who are concerned about the budget and welfare reform and saving Medicare and tax cuts for families with children. And that will be pursued later this afternoon.

So I can only say that we will be here some time yet today, and depending on when the House acts on the CR, probably tomorrow. But I will try to give my colleagues the specific times. And maybe some may not come in until afternoon depending again on how the House acts. I cannot give anybody more specificity, but as soon as I have information I will come to the floor and make an announcement.

## NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1996—CONFERENCE REPORT

### MOTION TO PROCEED

Mr. DOLE. I now move that the Chair lay before the Senate the conference report to accompany H.R. 1530, the Department of Defense authorization bill.

Mr. LEAHY. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from North Carolina [Mr. FAIRCLOTH], the Senator from Tennessee [Mr. FRIST], the Senator from Texas [Mr. GRAMM], the Senator from

Arizona [Mr. McCain], and the Senator from Kentucky [Mr. McConnell] are necessarily absent.

Mr. FORD. I announce that the Senator from Delaware [Mr. Biden], the Senator from Connecticut [Mr. Dodd], the Senator from Massachusetts [Mr. Kerry], the Senator from Maryland [Ms. Mikulski], and the Senator from West Virginia [Mr. Rockefeller] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 66, nays 23, as follows:

[Rollcall Vote No. 607 Leg.]

YEAS—66

Abraham	Feinstein	Lugar
Akaka	Gorton	Mack
Ashcroft	Graham	Murkowski
Bennett	Grams	Murray
Bingaman	Grassley	Nickles
Bond	Gregg	Nunn
Breaux	Harkin	Pressler
Burns	Hatch	Reid
Byrd	Heflin	Robb
Campbell	Helms	Roth
Chafee	Hollings	Santorum
Coats	Hutchison	Shelby
Cochran	Inhofe	Simpson
Cohen	Inouye	Smith
Coverdell	Jeffords	Snowe
Craig	Johnston	Specter
D'Amato	Kassebaum	Stevens
Daschle	Kempthorne	Thomas
DeWine	Kerrey	Thompson
Dole	Kyl	Thurmond
Domenici	Lieberman	Warner
Exon	Lott	Wellstone

NAYS—23

Baucus	Feingold	Levin
Boxer	Ford	Moseley-Braun
Bradley	Glenn	Moynihan
Brown	Hatfield	Pell
Bryan	Kennedy	Pryor
Bumpers	Kohl	Sarbanes
Conrad	Lautenberg	Simon
Dorgan	Leahy	

NOT VOTING—10

Biden	Gramm	Mikulski
Dodd	Kerry	Rockefeller
Faircloth	McCain	
Frist	McConnell	

So, the motion was agreed to.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1996—CONFERENCE REPORT

Mr. THURMOND. Mr. President, I submit a report of the committee of conference on H.R. 1530 and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. CRAIG). The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1530) to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 1996, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of December 13, 1995.)

Mr. THURMOND. Mr. President, I am pleased to present the conference agreement on the National Defense Authorization Act for fiscal year 1996 for approval by the Senate.

This conference agreement contains a broad range of authorities that are essential for the men and women who now serve in our Armed Forces, and for the effective operation of the Department of Defense. It is my hope that the Senate will pass this conference report, and the President will have the wisdom to sign it into law, because the important authorities it contains will significantly benefit our Armed Forces and the failure to enact these authorities will significantly disadvantage our troops. I am pleased that the House passed it today, 267 to 149.

I want to make sure my colleagues and the administration clearly understand that this is a period of high risk and exceptional danger for our military men and women. This is not the time to make defense a political issue. I want to caution my colleagues and the administration in the strongest terms not to politicize this bill at a time when the effects of such an action will be amplified to a high degree for every individual soldier, marine, sailor, and airman who is now deploying as part of the implementation force in Bosnia.

The authorization bill contains abundant important elements of authority for programs, systems, acquisitions, administration, and operations, and its passage will ensure that the Department will have the best possible chance to conduct its work as efficiently as possible. Likewise, failure to pass the authorization bill will encumber and disadvantage the Department unnecessarily.

The President has committed more than 30,000 uniformed men and women to a hazardous and lengthy operation in the former Yugoslavia. I believe no one doubts that he is sending our troops in harm's way. Some of these people may lose their lives in hostile actions and accidents. The President and the Congress must make every effort to ensure that nothing—absolutely nothing—is done to jeopardize or impede them in any way.

The Senate just passed a resolution to support these men and women unequivocally. The Senate has committed itself to providing our troops with all the necessary resources and support to carry out their mission and ensure their security. Although the dollar resources for defense are addressed in part in the appropriations bill, which has been enacted, the detailed guidance and authority to conduct the business of the Department of Defense, and to implement badly needed improvements, and to award new contracts and take care of families, are all contained in the authorization bill.

I would agree with the recent observation of my colleague from Vermont,

Senator LEAHY, who commented during the debate on veterans appropriations that he found "a number of ironies, as I speak, American troops are being deployed in Bosnia. Every Senator who came to this floor, debating the deployment of our troops pledged support for them." Mr. President, I find it ironic that any Senator would consider blocking or voting against the defense authorization at this time or attempt to use this bill for political purposes. Politics must stop at the water's edge when our forces are deployed to a hostile fire area.

Mr. President, it had been my impression that the Committee on Armed Services spent the last 3 months working in what had been its traditional bipartisan manner to reach a mutually acceptable conference agreement. I am now disappointed to learn at this late date that the minority have felt excluded from the conference negotiations. I want to assure my colleagues that was not my intent. I am disappointed that the bipartisan atmosphere of the committee may be about to be compromised and jeopardize the defense authorization bill.

Mr. President, I would now like to turn to the substance of this bill. This agreement is in line with the priorities we established last January. I would summarize these priorities by saying there is a serious need to revitalize our Armed Forces in order to ensure our Nation remains clearly able to deter and, if necessary, to counter any future threat to stability and security. This legislation provides the direction and authority for that revitalization.

The conference agreement authorizes a 2.4 percent pay raise for the uniformed services, including the 20,000 men and women who will be deployed in Bosnia and the thousands who will support them. If this agreement does not become law—and I want to repeat this, if this agreement does not become law—they will not receive this increase, and military pay will lag even more than it does already. I find it unfortunate that the administration would choose to block this pay raise for the men and women it is now sending to Bosnia.

This agreement authorizes badly needed quality of life projects that are essential to family life and the retention of high quality people. It authorizes important improvements to military family housing, barracks, dining facilities, and work areas. Some critics of this bill would have us believe these authorities are unnecessary or extravagant. Mr. President, as we stand here today in the comfort of this Chamber, there are military men and women who are standing in the mud, exposed to rain and snow while they maintain their vehicles, because they do not have concrete hardstand in their motor pools. There are military men and women who are living in barracks that are substandard. Improvements will not be available unless this agreement