

that the interests of investors are well protected under the implied private action provisions of the act.

S. 254

At the request of Mr. LOTT, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of S. 254, a bill to extend eligibility for veterans' burial benefits, funeral benefits, and related benefits for veterans of certain service in the U.S. merchant marine during World War II.

S. 275

At the request of Mr. GRASSLEY, the name of the Senator from Kansas [Mrs. KASSEBAUM] was added as a cosponsor of S. 275, a bill to establish a temporary moratorium on the Interagency Memorandum of Agreement Concerning Wetlands Determinations until enactment of a law that is the successor to the Food, Agriculture, Conservation, and Trade Act of 1990, and for other purposes.

S. 304

At the request of Mr. SANTORUM, the names of the Senator from Missouri [Mr. BOND], the Senator from Texas [Mrs. HUTCHISON], and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 304, a bill to amend the Internal Revenue Code of 1986 to repeal the transportation fuels tax applicable to commercial aviation.

S. 394

At the request of Mr. D'AMATO, the name of the Senator from Arizona [Mr. KYL] was added as a cosponsor of S. 394, a bill to clarify the liability of banking and lending agencies, lenders, and fiduciaries, and for other purposes.

S. 457

At the request of Mr. SIMON, the name of the Senator from Vermont [Mr. JEFFORDS] was added as a cosponsor of S. 457, a bill to amend the Immigration and Nationality Act to update references in the classification of children for purposes of U.S. immigration laws.

S. 495

At the request of Mrs. KASSEBAUM, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 495, a bill to amend the Higher Education Act of 1965 to stabilize the student loan programs, improve congressional oversight, and for other purposes.

S. 508

At the request of Mr. MURKOWSKI, the name of the Senator from Maine [Mr. COHEN] was added as a cosponsor of S. 508, a bill to amend the Internal Revenue Code of 1986 to modify certain provisions relating to the treatment of forestry activities.

S. 518

At the request of Mr. THOMAS, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 518, a bill to limit the acquisition by the United States of land located in a State in which 25 percent or more of the land in that State is owned by the United States, and for other purposes.

## SENATE RESOLUTION 87—AUTHORIZING THE TAKING OF A PHOTOGRAPH IN THE CHAMBER OF THE U.S. SENATE

Mr. DOLE submitted the following resolution; which was considered and agreed to:

### S. RES. 87

*Resolved*, That paragraph 1 of Rule IV of the Rules for the Regulation of the Senate Wing of the United States Capitol (prohibiting the taking of pictures in the Senate Chamber) be temporarily suspended for the sole and specific purpose of permitting the National Geographic Society to photograph the United States Senate in actual session on a date and time to be announced by the Majority Leader, after consultation with the Minority Leader.

SEC. 2. The Sergeant at Arms of the Senate is authorized and directed to make the necessary arrangements therefor, which arrangements shall provide for a minimum of disruption of Senate proceedings.

## AUTHORITY FOR COMMITTEES TO MEET

### COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. GORTON. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Friday, March 20, 1995, at 10 a.m., to conduct a hearing on the Mexican peso.

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

### COMMITTEE ON FINANCE

Mr. GORTON. Mr. President, I ask unanimous consent that the Finance Committee be permitted to meet Friday, March 19, 1995, beginning at 10:30 a.m., in room 215 of the Dirksen Senate Office Building, to conduct a hearing on welfare reform.

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

### COMMITTEE ON FOREIGN RELATIONS

Mr. GORTON. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet for a classified briefing during the session of the Senate on Friday, March 10, 1995, at 11 a.m.

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

### SUBCOMMITTEE ON SUPERFUND, WASTE CONTROL, AND RISK ASSESSMENT

Mr. GORTON. Mr. President, I ask unanimous consent that the Subcommittee on Superfund, Waste Control, and Risk Assessment be granted permission to meet Friday, March 10, 1995, at 9:30 a.m. to conduct an oversight hearing regarding the Comprehensive Environmental Response, Compensation, and Liability Act [CERCLA].

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

## ADDITIONAL STATEMENTS

### SOCIAL SECURITY AND THE BALANCED BUDGET

• Mr. SIMON. Mr. President, for the benefit of my colleagues, I wrote a newspaper column intended to end much of the confusion surrounding Social Security and its role in the recent debate on the balanced budget constitutional amendment.

I ask that the text be printed in the RECORD.

The column follows:

#### A REALITY CHECK ON SOCIAL SECURITY AND THE BALANCED BUDGET AMENDMENT

There is some confusion about the role of Social Security and the Balanced Budget Amendment. Let me answer a few of the questions that people are asking:

Would the Balanced Budget Amendment treat Social Security any differently than it is being treated now?

No. And if you are confused on this point, don't feel badly. One of the senators who participated in the debate didn't understand this either.

Does the Balanced Budget Amendment voted on recently treat Social Security differently than the amendment voted on in 1994?

The wording is identical on anything related to Social Security.

Would the Social Security system be better off with or without a Balanced Budget Amendment?

Much better off with a Balanced Budget Amendment. The great threat to Social Security is the growing federal debt. If it continues as projected, the United States government will eventually "solve" its problem like all nations with huge debts have historically done, by printing more and more money, making the dollar worth less and less. When you debase the value of the dollar, you also debase the value of the United States bonds that are the security for Social Security. If the dollar becomes worth ten cents, the bonds held by Social Security also drop 90 percent in value. That devastates Social Security. Those of us fighting for a Balanced Budget Amendment are trying to prevent this economic catastrophe from happening, but that is where we are now headed.

As a strong defender of Social Security, why didn't you vote to exempt Social Security in the Balanced Budget Amendment?

For two reasons.

First, I believe everything should be in the budget. As soon as you start making exceptions, where do you stop? I also believe it is important to include Social Security because in less than 30 years, Social Security will spend more than it takes in. We should have an obligation to protect Social Security well into the future, and not use the excuse that it isn't our responsibility.

Second, to make an exception of Social Security would permit a huge loophole in the amendment. Future Congresses could put welfare under Social Security, senior citizen housing, and virtually anything else. Since the word "security" is used, a creative Congress could even put the defense budget under Social Security.

Will there be changes in Social Security programs?

Apart from balancing the budget, there will have to be, for the long-term future of Social Security. My guess is that those on Social Security retirement now will experience no change in their retirement, but to prepare for a less rosy future, for example,

there may have to be a one-half of one percent increase in the tax for Social Security on employers and employees, and some type of gradual increase in retirement age, worked out with the senior groups. If we were to raise the retirement age by one month a year for twelve years, over that period the retirement age would be raised by one year, and save billions of dollars for the retirement fund.

Also, Medicare will face serious shortfalls in only a few years. Here I favor changes now. For example, why shouldn't everyone with an income of over \$100,000 a year pay for his or her own physician's fees? Hospital coverage and other features could remain the same. That one change would save billions of dollars.

Do Senators like Kent Conrad and Byron Dorgan of North Dakota have no valid point of concern?

They do. Since 1969 the federal government has included Social Security surpluses in our budgets so that the deficits would not look so bad. I have joined Sen. Fritz Hollings of South Carolina in trying to stop that practice, but administrations of both parties like to make their budgets look better.

During the evening negotiations on the Balanced Budget Amendment on the night the vote was first scheduled, Sen. Conrad was able to get an agreement to gradually move away from this practice, but he finally rejected the offer. One of my colleagues in the Senate told me, "Sen. Conrad was on the verge of a great victory for the Social Security cause and for sensible budgeting, but he blew it." I believe that judgment is premature. It is still possible that something can be worked out.

For the sake of Social Security recipients, and for the sake of the future of our country, I hope something will be.

#### THE UNITED STATES-NORTH KOREA AGREED FRAMEWORK

• Mr. THOMAS. Mr. President, as the chairman of the Senate Subcommittee on East Asian and Pacific Affairs I come to the floor of the Senate this afternoon to briefly respond to certain statements made yesterday by representatives of the Government of the Democratic People's Republic of Korea regarding the agreed framework between our two countries governing the Democratic People's Republic of Korea's nuclear program.

North Korea has, for the second time in a month, again threatened to scuttle the agreement by making ludicrous take-it-or-leave-it demands. This time, it refuses to accept delivery from the Republic of Korea of two light-water reactors called for under the framework. The Democratic People's Republic of Korea's Foreign Ministry issued a statement in Switzerland stating that if the United States does not agree to another country furnishing the reactors, "because of the United States' attitude in insisting on supplying the South Korea type, we will be forced to take an appropriate position." The statement continued, "Even if that brings about the breakdown of the framework agreement \* \* \* we will have nothing to lose but fear."

Mr. President, I—and, I am sure, my colleagues—grow weary of the continual 11th hour posturing and brinkmanship which seems to be the mainstay of

the North's negotiating strategy. In a speech in the Senate on February 13, 1995, I made clear my position:

I will not support the provision by the United States of one scintilla more than is called for in the Agreed Framework without substantial concessions from the DPRK; nor will I accept any diminution of the central role that has been set out for the ROK. South Korea is making a huge contribution to implementing the agreement, and it is their national interest that is most at stake. To accede to any demands by the DPRK in this regard is to assist it in its ongoing attempts to undermine US-ROK relationship.

This apparently bears repeating to drive it home to the North. If the Democratic People's Republic of Korea thinks that we will capitulate on the reactor issue, it is seriously mistaken. To put it into words that the Government in Pyongyang cannot mistake, its wish for reactors manufactured elsewhere is like a hungry man looking at "keurim eui teok i da," rice cakes in a picture. The North Koreans need to know, clearly and unequivocally, that on this point the Congress and administration are in complete and unwavering agreement; there is no acceptable alternative. We will stand by our position, stand by our principles, and most importantly stand by our important ally South Korea. If Pyongyang chooses to abandon the agreement, then so be it, we will quickly find ourselves back at the U.N. Security Council where the Democratic People's Republic of Korea will find itself the subject of tough economic sanctions.

Mr. President, next week at my behest the members of the Foreign Relations Committee will meet with Ambassador Galucci. I look forward to that meeting both as an opportunity to hear first hand about these latest developments, and as a chance to reiterate my position for the administration. •

#### STUDENT LOAN CONFLICTS OF INTEREST

• Mr. SIMON. Mr. President, my colleagues from Massachusetts, Senator KENNEDY, yesterday recited a long list of items where the new Congress has declared war on working Americans.

One item that he mentioned is the attack on student financial aid: 75 percent of all college student aid comes from the Federal Government, much of that in the form of loans. The only significant Federal student aid subsidy that reaches middle-class families is the Federal payment of interest while students are in school. Now, it seems that this benefit is in danger in the House of Representatives.

Mr. President, I have argued that as far as student aid is concerned, we should not be balancing the budget on the backs of students while banks and middlemen continue to receive excessive subsidies in the Student Loan Program.

Two weeks ago, a letter I wrote to the Washington Post made the point that the Guaranteed Student Loan

Program is not the private sector system that its proponents would have us believe it is, and that it is riddled with dangerous conflicts of interest.

In a response that appeared in yesterday's Washington Post, Roy Nicholson, the chairman of USA Group, charges me with vilifying and "attempt[ing] to silence" him, while ignoring "the substance of the debate" on student loans.

Ironically, Nicholson does not respond to the substance of the inspector general's concern, raised in my letter, that "billions of dollars of the Nation's [student loan] portfolio are at risk because many guaranty agencies \* \* \* have a clear conflict of interest."

Mr. President, I ask that the two letters and the inspector general report be printed in the RECORD at the conclusion of my remarks.

Guaranty agencies like USA Group are supposed to act as bank regulators on behalf of the U.S. Government. Since banks have little financial incentive to put serious effort into collecting payments on Government-backed student loans, it is the guarantors' responsibility to ensure that—before taxpayers reimburse banks for a default—the bank actually did try to collect.

But what if, as in the case of USA Group, the guarantor works not just for the Government, but for the banks, too? Clearly, this is a case of the shepherd moonlighting for the wolf. The inspector general provides a number of examples of how these arrangements put taxpayer dollars at great risk.

Last year, a specific incident involving USA Group made this conflict painfully clear. In an effort to address the default problem, Congress 2 years ago directed the Education Department to oversee the loan collectors. But last June, when the Department tried to implement the new rules—something that guarantors, as protectors of the taxpayers, should support—USA Group sued to stop the rules, arguing that it was not fair to them as contractors for the banks.

The student loan industry has decided that the only way to keep their entitlements in the face of President Clinton's money-saving reforms to the Student Loan Program is to portray the reforms as big Government, in contrast to the current private sector system.

Don't be fooled. It is not a private sector system when the Government takes virtually all the risk of default through entities it backs with the full faith and credit of the United States.

Mr. President, taking a closer look at what is really going on in the Guaranteed Student Loan Program is not "the politics of vilification" or an "attempt to silence." It is what the substance of the debate should be. It should come as no surprise to my colleagues that people do try to take advantage of Federal programs. I do not consider it out-of-bounds to describe the structures and perverse incentives that lead to abuse.