

leaving their options up to the whim of whatever secondary market happened to purchase their loan from the bank? That is direct lending. I might add, direct lending is open to every student while in the old system you have to be below a certain level of income.

Why not provide the funds through the same system that delivers Pell grants, work-study and other student aid rather than confusing schools, parents, and students with a plethora of agencies, offices, and forms? That is the simplicity that direct lending provides.

What about savings for taxpayers? A few direct loan opponents have implied that direct lending never was cheaper than the Government guarantee program. That is just plain nonsense, and it is easy to see why. Everyone agrees that the 1993 reforms forced several billions of dollars of reduced subsidies in the Government guarantee system. Now, according to the Senate Budget Committee, the cost of the two programs are virtually identical. By definition, if the cost of the Government guarantee system has come down and now matches direct lending, then direct lending must have been cheaper.

In fact, the cost of the direct loan program has been overstated for a variety of reasons that I have explained in detail previously in the RECORD, including the choice of discount rates, the cost of tax-exempt bonds used by secondary markets but not in direct lending, and the handling of conflicts of interest and other costs of the Government guarantee system. Not only was direct lending cheaper 3 years ago when the loan industry was forced to ante up, but it is still cheaper today.

Whether you agree with the Republican staff of the Budget Committee or with Congressman TOM PETRI or PAUL SIMON, there is no question that the 1993 student loan reforms have saved billions of dollars for taxpayers because of the efficiency of direct lending.

Mr. President, millions of dollars have been spent in lobbying to sully direct lending, and there are two other charters to which I have not yet responded. First, there was the cost-shifting scare. Before direct lending had a track record, Sallie Mae provided colleges with sophisticated-looking analyses showing that direct lending would cost the average college an additional \$219,000 to administer each year. Banks and middlemen also got into the fray, hiring a CBO Director to say that costs were being shifted to schools. Of course, colleges were concerned.

But time has erased all those claims. Direct lending turned out to be exactly the opposite of the Sallie Mae scare tactic. Colleges saved money through a welcome relief from excess paperwork and redtape. In your State of Colorado, Mr. President, the State auditor found that direct lending in the first year reduced costs by \$325,245, at two of the State's universities.

That is why 1,700 schools have now joined the direct loan program. Schools

now have the option. That is what we want to keep.

Next, there came the haven for defaults claim. Long-time opponents of direct lending held a press conference to announce a rush of high-default schools into the direct loan program. They pointed to several shady trade schools but failed to point out that the schools, under the law, had to already be participating in the Government guarantee program. Still, they persisted in their claims for as long as no data were available to refute them.

In March, the data arrived. That lie was put 6 feet under. The truth is that schools in the direct loan program last year had a lower average default rate than those in the guarantee program. More data on the performance of the two programs at similar schools is still to come.

Mr. President, over time, every allegation made by the industry has turned out to be misleading or just plain groundless.

I have said very little about students. They, after all, are the reasons that these programs exist. How have they been helped by the Student Loan Reform Act proposed by President Clinton and enacted by the Congress in 1993?

I touched briefly on the repayment options. Direct lending makes a wide variety of repayment options available to any borrower. Borrowers can even choose to make payments that vary according to their post-college income. That is critical, as students are increasingly relying on loans to finance their continuing education.

USA Today reported that the direct loan program's "simplicity has proved hugely popular at colleges across the country." In the Government guarantee program, the maze of agencies, lenders, and purchasers often cause confusion, delays, and errors. They are not only frustrating but costly to colleges and students.

As millions of college students begin this academic year, one of the things that is foremost on their minds is money. Whether they participate in the direct loan program or the guarantee system, the changes that were enacted in 1993 will send students this week back to their dorm rooms with \$650 million more than any would have had otherwise. In other words, \$650 million savings this school year to students because of the direct loan program and because the old guarantee program has been forced to come down in its expenditures because of direct lending. That savings would never have happened without the leadership that President Clinton and Congressman PETRI, Senator David Durenberger, and Senator TED KENNEDY showed in standing up to the special interests and promoting the direct lending.

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. KENNEDY. 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. KENNEDY. Mr. President, as I understand it we are on general debate?

The PRESIDING OFFICER. Yes.

Mr. KENNEDY. Is there a time limit on morning business?

The PRESIDING OFFICER. There is a 10-minute time limitation.

Mr. KENNEDY. I ask unanimous consent to be able to speak for 20 minutes.

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

THE REPUBLICANS' RECORD ON EDUCATION AND MEDICARE

Mr. KENNEDY. Mr. President, although Republicans in Congress claim to support education, they cannot escape the record of harsh education cuts proposed by the Republican majority in Congress, led by NEWT GINGRICH and Bob Dole. Just this past weekend, Christiane Valfour, a college student at the University of Pittsburgh, challenged Bob Dole to explain why Republicans in Congress pushed for deep budget cuts in Federal student aid last year. Candidate Dole's response was silence. When the student asked why Dole opposed the highly successful direct student loan program, again, candidate Dole was at a loss for words.

It is no surprise that Bob Dole decided to take the fifth amendment on education. In fact, anything he said would incriminate him. The truth is that candidate Dole supported the Republican budget last year that proposed the largest education cuts in the Nation's history. That Republican budget also capped Direct loans for college students, denying the opportunity for over a thousand schools to choose the loan program that provides the best service and lowest fees and other costs to their students.

I commend to all the Members the excellent presentation that was made by our colleague and friend from Illinois, Senator SIMON, on this issue. He has been a strong leader in support of the direct loan program.

Candidate Dole and the Republicans in Congress are desperately trying to run away from their slash-and-burn record on education. But the American people won't be fooled. They know investing in education is important to the Nation's future, and they won't be deceived by the Republican claims that pretend to support education, while cutting the heart out of the investment that is needed to give education the priority it deserves.

In communities across America, it is back to school time, back to classes, back to homework, back to parent-teacher meetings, and back to preparing pupils for the future.

It is also back to crowded classrooms. Secretary of Education Richard Riley has called this school year the

"baby boom echo." Student enrollment will reach an all-time high of 52 million, surpassing the 1971 record of 51 million.

Here in Washington there is a different echo—the echo of the education-cutting Republican Congress. Last fall, the Republican Congress—led by Speaker NEWT GINGRICH and former majority leader Bob Dole—proposed the largest education cuts in U.S. history. Democrats fought these harsh cuts at every turn, because we believe in education as the key to the door of the American dream.

Republicans proposed to cut \$3.7 billion in education last year. That proposal failed because the American people would not stand for deep cuts in education funding. But the Republicans refused to listen. They insisted on proposing similar cuts in education funding in a series of short-term spending bills.

Last January, I offered an amendment to one short-term spending bill that would have restored full funding to education—\$3.1 billion. But the Republican leadership blocked the measure. Even when a majority of the Senate—51 Senators—supported the amendment, the Republican leadership used a procedural trick that required 60 votes for passage—so education lost again.

Last April, prospective college students were desperate to know how much financial aid would be available for the coming school year. Teachers were receiving pink slips because schools were expecting huge cuts in their budgets. As the crisis deepened, Republicans in Congress abandoned 90 percent of their harsh cuts and agreed to education funding \$400 million below the 1995 level. It took the Republicans 9 months to learn what American families already knew—education is the key to America's future and must be a high national priority.

Throughout the past year, the American people have consistently said "no" to education cuts and "yes" to doing more to see that every child gets a decent education and can afford to go to college.

I might point this out, Mr. President, on this chart, to give you a better idea of what these cuts were. If we take the 1995 appropriations—and this is after the rescission of several hundreds of millions of dollars—\$3.7 billion was cut from education in the House appropriations bill for fiscal year 1996. In the continuing resolution \$3.1 billion was cut from education as compared to the 1995 appropriations level. In the 1996 omnibus appropriations agreement—the final agreement that was made—we cut \$400 million from education. This agreement was made with the President after the Government shutdown. The education cut was reduced to just \$400 million less than the 1995 appropriations as a result of the President talking about the importance of education, Medicare, and the environment, which are high national priorities.

President Clinton demonstrated a commitment to these priorities by getting us back close to the 1995 appropriations levels.

Notice what has happened this year. In the 1997 appropriations, the House of Representatives has cut education funding by more than one billion dollars from last year's agreement. When they are able to get their hands on it, they go right back down to \$1.5 billion in the House appropriations bill.

The Senate appropriations bill will be marked up soon. So, hopefully, we will have an opportunity to address this issue. But if we are not assured that we are going to consider the education appropriations, others are going to offer amendments to restore education funds on the next appropriations bills that come before the Senate. We can't take a chance on the funding of education—not that money in and of itself guarantees improvements in education. It does not. But it is a reflection of the Nation's priorities.

That is what we are talking about in this debate; let's strengthen the programs in various priority areas. We heard earlier today of the excellent work that was done with the leadership of Senator SIMON, Senator BRADLEY, Senator DURENBERGER, a bipartisan effort to move us toward the direct loan programs. I welcome the opportunity to join in that effort with the support of the President.

Thanks to the Direct Student Loan Program, we have alternatives in the college financial aid programs, as was pointed out by Senator SIMON earlier today. Last year, Republicans in Congress tried to eliminate the Direct Loan Program. They would have taken away a good alternative for young people to pay for college.

Nonetheless, I think is important to clarify what happened in last year's battle over education funding. This past weekend, one of our colleagues, who was answering a question from Christiane Valfour in Pennsylvania at the University of Pittsburgh, denied the Republican education costs. She challenged Bob Dole to explain why the Republicans proposed massive education cuts in their budget, and he was speechless. Then a Republican Senator came up and said that she was completely misinformed, and that the Republicans had not cut education. It is important as we enter into the final days of this Congress, as we make our final judgments on the issue of higher education and also elementary and secondary education, that we understand exactly what has been done.

Now, as we begin a new school year, teachers are teaching more students than ever before. Communities are fighting to prevent youth drug use and crime. Schools are trying to equip classrooms for the 21st century. But the elephant never learns. Instead of helping schools and children to prepare for the future, Republicans in congress are bent on repeating the past instead of learning from it. They have slashed

education funding again this year, cutting education by \$1.5 billion from the fiscal year 1995 level in the House appropriations bill for 1997, which begins October 1. The label fits and sticks. This Republican Congress—the Gingrich-Dole Republican Congress—is the most antieducation Congress in the Nation's history, bar none.

We know that when we ask and expect more of children, they achieve more. More students than ever are taking harder courses. SAT scores are up. But Republicans don't get it. They tried to zero out Goals 2000 in the fiscal year 1996 appropriation, but we stopped them. In the fiscal year 1997 proposal, the Gingrich House Republicans again zeroed out funding for Goals 2000, which is helping 5 million schoolchildren achieve higher standards of learning.

The Goals 2000 Act was passed with bipartisan support both in committee and on the floor of the U.S. Senate. Ninety percent of Goals 2000 funds go to the schools at local level to give assistance to schoolteachers, to parents, and to citizens involved in their communities, who want to enhance students' academic achievement. Goals 2000 has been zeroed out. Unfortunately, I think it was zeroed out because it was an initiative supported by President Clinton and his administration.

We know that the use of advanced technology in education increases achievement and reduces dropouts. Computers help teachers spend more time with students and teach them more complex lessons. Classroom technology helps prepare students for the 21st century workplace. But the Republicans don't get it. In fiscal year 1996, they tried to zero out the Star Schools Program, but we successfully fought to restore the funding. In their fiscal year 1997 proposal, the Gingrich House Republicans again zeroed out the Star Schools Act, which helps bring schools into the information age. They cut \$27 million from the President's budget for technology challenge grants, which help bring computers into classrooms.

I wish some of our Members had the chance to visit some of the Star Schools Programs I have visited. I remember several years ago visiting an excellent Star Schools Programs in the State of Mississippi. Senator COCHRAN has been interested in distance learning for a long time. We found that in a number of schools throughout Mississippi and the South students were taking classes in advanced calculus and advanced mathematics. These classes were not available within their particular communities, but the Star Schools connections allowed them to work with some of the best teachers that exist, both in Mississippi and in other Southern Communities. Star Schools programs bring high-level courses to many students who would not have the opportunity to take these challenging classes in their local schools. It was enormously impressive.

This is just one example of the importance of bringing the newest technology that is available into our schools. Nonetheless, Republicans have cut education technology programs including Star Schools and also technology challenge grants.

We know that communities, schools, and families are working hard to prevent youth crime and drug use. But Republicans don't get it. They tried to slash the funding for the Safe and Drug-Free Schools Act by 60 percent in fiscal year 1996, but we didn't let them. In their fiscal year 1997 proposal, the House Republicans cut \$25 million from the Safe and Drug-Free Schools Act, the only Federal Program dedicated to providing funds to schools to combat drug use and violent behavior.

Even in the Human Resources Committee during the last Congress, the Drug-Free Schools Program was effectively wiped out, and the funding was transferred to a youth block grant program. But it was one of a number of different programs that would be available to young people, depending on the decisions of the various Governors. At the time, we made a decision that schools needed to have some consistent support across this country in terms of drug-use prevention and violence prevention activities. So we passed the Safe and Drug-Free Schools and Communities Act. In this current appropriations bill, Republicans in Congress continue to reduce support for safe and drug-free schools.

The appropriations for education funding are going to be acted on by the Senate this week. It is important, since the budget is an indicator of national priorities, that we understand exactly what is before the appropriator and what will be before the Senate and before the American people. I believe that most Americans think that education programs deserve a strong national investment.

We know that half of all college students need financial aid to go to college. Three-quarters of all student aid comes from the Federal Government. Between 1985 and 1994, the average cost of attending college rose by 39 percent while the median family income rose by only 1 percent. College graduates earn almost twice what high school graduates earn and nearly three times what high school dropouts earn. But Republicans do not get it. In fiscal year 1996, their attempts to eliminate the funding for Perkins loans and the supplemental State incentive grants failed. In their fiscal year 1997 proposal, the Gingrich House Republicans again zeroed out funding for Perkins loans, which helped more than 700,000 students go to college last year. And they again eliminated the supplemental State incentive grants, which helped over 1 million students attend college.

In the coming weeks, we will hear Republicans claim that they support education, schools, children, and teachers. But candidate Dole and Speaker

GINGRICH and their Republican colleagues cannot escape their antieducation record.

President Clinton is the education President. He has fought hard and successfully to block the Republican cuts in education funding. His budget for the coming years is a budget that invests in education. While Republicans want to subtract \$1.5 billion from education, the President wants to add \$2.8 billion. That is the right priority for Congress, and the right priority for America.

As this chart shows, the House Republicans want to cut education by \$1.5 billion this year, and the Senate Republicans are continuing the battle in terms of cutting education funding.

Mr. President, the fact remains that over the period of the last Congress, 1992 to 1994, a series of education programs were enacted. We passed a reauthorization of the Head Start Program. In this act, we extended the Head Start education programs to include training programs for expectant mothers, and we expanded the early intervention programs.

Then we passed the Goals 2000 Act to challenge students to a greater degree and bring out the best in students. The purpose of Goals 2000 is to provide additional funding to local school districts so that teachers, school committees, parents, the business community, and other community activists who want to improve their local schools, would have flexibility to develop new initiatives in terms of curriculum, in terms of the time students spend in class, and in terms of additional training for teachers. A number of communities have used Goals 2000 funding to develop local initiatives to improve student achievement.

We also passed the School-to-Work Program to address the particular educational challenges that exist for the three out of four high school graduates who do not go on to a 2- or 4-year college and receive a college degree. The purpose of the School-to-Work Program was to give these students the opportunity to obtain job skills and additional educational training that could help them have more useful, productive lives. The School-to-Work Program, which has been supported by Republican Governors as well as Democratic Governors, was, effectively, going to be terminated on the job training bill which we considered in conference committee. We should not terminate this important program, and we certainly should not terminate it just because it was developed by President Clinton.

So, Mr. President, we have seen in recent times, when we are talking about the funding of those programs, support for those programs, a dramatic reduction in those programs, and a number of those programs have actually been zeroed out.

It is increasingly clear that our Senate Republicans are so embarrassed by their antieducation record that they do

not intend to bring the education appropriations bill before the full Senate for final action before the election. One way or another, either on the continuing resolution or on other legislation, the Senate should vote on this vital issue so the American people know where we stand.

American families want good schools and affordable college education. They want a brighter tomorrow for their children, and they will not let an education-cutting Republican Congress hold them back.

Republican priorities are also too extreme with regard to Medicare. Time and again Republicans in Congress have sought to slash Medicare in order to pay for irresponsible tax breaks for the wealthy.

Medicare is a compact between the Government and the people. It says, "Pay into the system during your working years, and we will assure that you have affordable health care in your retirement years."

Today's senior citizens built the country. They worked hard, raised their children, stood up for America during depression and war, and now it is America's responsibility to stand by them—to guarantee that affordable medical care will be there for them when they need it in their retirement years.

You would think that these are principles that every American supports, but not Bob Dole, not NEWT GINGRICH and the Republicans in Congress. NEWT GINGRICH says he wants Medicare to wither on the vine. House majority leader DICK ARMEY has said Medicare is a program he "would have no part of in a free world." And last year, Bob Dole said again that he is proud to have voted against Medicare when it was first enacted. He told the American Conservative Union, "I was there, fighting the fight, voting against Medicare, 1 of 12, because we knew it wouldn't work. * * *"

The Dole-Gingrich Republican budget last year would have slashed Medicare by an astounding \$270 billion. Medicare premiums would have doubled. Medicare deductibles would have doubled. The age of eligibility for Medicare would have been raised. Elderly couples would have paid an additional \$2,400 in increased premiums alone during the budget period.

Republicans pretend that they are not cutting Medicare, just slowing its rate of growth. But every American family knows that if your wages do not keep up with inflation, your living standard is cut. Every family knows that if Medicare payments do not keep up with the cost of medical treatment, senior citizens' health care will be cut. And every family knows that if Medicare deductibles are doubled, if Medicare premiums are doubled, and if Medicare eligibility is postponed, your Medicare has been cut.

Abraham Lincoln once said, "You can fool some of the people all of the time, you can fool all of the people

some of the time, but you can't fool all of the people all of the time.' Our Republican friends seem to be counting on fooling enough of the people enough of the time until November 5—but they are not going to succeed.

The Dole-Gingrich attack on Medicare went even farther. In cahoots with the private insurance industry, their scheme was designed to force senior citizens to give up Medicare and join HMO's or private insurance plans. The Republicans said that their proposal was meant to offer greater choice, but senior citizens know that slashing Medicare in order to divert billions in profits to private insurers is no choice at all.

Republicans claim that President Clinton and the Democrats are using scare tactics on Medicare. But the American people know better. In fact, the cost of the lavish new tax breaks that Senator Dole is proposing will make even deeper cuts in Medicare more likely.

Under the Dole-Gingrich plan last year, the Republicans proposed a 7-year tax cut of \$245 billion, paid for by \$270 billion in Medicare cuts. Under the current Dole economic plan, the tax cut is \$681 billion over 7 years, almost three times as large as last year's tax cut.

What about the Medicare cut? It is fair to ask where the cuts are going to come from. But still we have silence by Bob Dole on where the cuts are going to come from. I say to anyone who cares about Medicare, you better keep tuned because, as we have seen, Bob Dole supported the tax cut of \$245 billion and the Medicare cut of \$270 billion. Now he is proposing a \$681 billion tax cut, and he is silent. You can bet your bottom dollar that there are going to be significant cuts in Medicare.

You do not have to be a mathematical genius to understand that if you have to pay for a tax cut three times as great, your Medicare cuts would be even greater than in the Republican plan last year. Bob Dole is no friend of Medicare and neither is the Republican Party.

The Dole-Gingrich Republican plan for Medicare makes a mockery of the family values they claim to support. I want to point out, on this issue, what happened before the election of 1994. In 1994, Majority Leader Bob Dole said, "President Clinton and Vice President GORE are resorting to scare tactics . . . falsely accusing Republicans of secret plans to cut Medicare benefits." That is the statement he made in 1994, before the last election. And Haley Barbour said, "The outrage, as far as I am concerned, is the Democrat's big lie campaign that the Contract With America would require huge Medicare cuts. It would not." After the election, they proposed \$270 billion in Medicare cuts. Bob Dole said no, there would not be any cuts. Haley Barbour said no, there would be no cuts, and then the Republicans in Congress proposed \$270 billion in Medicare cuts.

Now Dole has proposed a \$681 billion tax cut. We ask him, all right, spell it out, where are you going to cut spending? We cannot get an answer out of him. And what should the American people expect? They ought to understand those cuts will be coming out of Medicare. If the cuts don't come out of Medicare, they will come out of other domestic programs like education. If he doesn't cut Medicare, the Dole tax cut plan would require massive unspecified cuts in domestic investments. If Bob Dole says no, it is not going to come in Medicare; it is not going to come in defense; it cannot come in interest on the debt; where else can he cut? Domestic investments.

The President is trying to hold harmless the domestic investments, particularly in education and in basic research in health care. He has indicated education, the environment, Medicare were the three priorities.

Here is the difference in this chart, where the President's balanced budget program is. Here is the Republican program for the cuts. If we were to enact the Dole tax cut, and if we were to exclude the Medicare from cuts, exclude defense, exclude the interest on the debt, then all other discretionary domestic spending would be cut from \$254 billion down to \$158—40 to 45 percent in real cuts. Those are cuts in education, NIH research, the fuel assistance programs for elderly people, and legal service programs.

Next year, the Congress and the President will need to take serious steps to deal with the very real financial problems in Medicare. The choice in this election is clear. A Democratic President and a Democratic Congress will address that challenge in a way that protects senior citizens and improves and strengthens Medicare. A Republican Congress and Republican President will put senior citizens and Medicare at risk. I believe the American people share our Democratic commitment to the Nation's senior citizens, and they will vote accordingly on November 5.

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

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

The bill clerk proceeded to call the roll.

Mr. KENNEDY. 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. KENNEDY. I ask unanimous consent to proceed for 20 minutes without interruption.

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

EMPLOYMENT NONDISCRIMINATION ACT

Mr. KENNEDY. Mr. President, last Friday the Senate began an important debate on legislation to protect the

civil rights of gays and lesbians. Senators on both sides of the aisle have expressed strong support for the Employment Nondiscrimination Act. We will vote tomorrow afternoon on that legislation. I am very hopeful that the Senate will support it.

Last Friday, I reviewed the progress we have made as a country and as a society to free ourselves from discrimination. I spent a brief period of time reviewing what I think has been the enormous progress that this country has made to eliminate discrimination—at least to the extent we could eliminate such discrimination through legislation. After all, by including slavery, we enshrined discrimination in the Constitution of the United States. We fought a civil war in the 1860's on this issue but it was not until, I believe, Dr. King led a great movement in the late 1950's and the early 1960's, that the Nation was truly challenged to eradicate discrimination. Dr. King, using the philosophy of nonviolence, drew together Republicans and Democrats, business and labor, as well as church leaders all over the country, to begin a very important antidiscrimination grassroots effort. We made very substantial progress.

On Friday, I pointed out the achievements of the Civil Rights Act of 1957, the Civil Rights Act of 1964, the Voting Rights Act, and the Fair Housing Act of 1968. Furthermore, in 1965 we changed the immigration laws, eliminating the national origin quota system that determined which immigrants would be able to come to the United States. We eliminated the Asian-Pacific triangle that restricted Asian immigration to 125 Asians a year, which was really a throwback to the period at the turn of the century known as the "Great Period of the Yellow Peril." A period of great sadness and discrimination.

We made progress on race. We made progress on ethnicity, religion, and national origin during that period of time. We also made progress with regard to issues of gender. We did not pass the equal rights amendment. We did not say there were "founding mothers" as well as Founding Fathers, but we took a series of steps that moved us in a very important and significant way toward recognizing the full rights of women in our society. That was enormously important.

Some 6 years ago we passed the Americans With Disability Act to assert that having a disability does not mean a person is unable, even though for the better part of our Nation's history they suffered from discrimination.

Just a few nights ago under the bipartisan leadership of Senator DOMENICI and Senator WELLSTONE, we began to take the first steps to include mental health in American health care considerations. We have long recognized the challenges that cancer, heart disease, diabetes, or other illnesses provide for us, but we have been extremely reluctant as a society to understand