to determine which loan program meets the needs of students, institutions, and taxpayers, we need a thorough evaluation of both programs and the bill we are introducing today allows for such an evaluation.

The bill allows for a much larger pilot than was contemplated under the 1992 amendments to the Higher Education Act, but we believe that a pilot consisting of 40 percent of new loan volume will permit Congress to carefully oversee and evaluate its implementation. At the same time, we will be maintaining a stable Federal Family Education Loan Program for those institutions not wishing to participate in a Government direct lending program. When both programs are fully operational, Congress will be able to fairly evaluate the programs for efficiency and cost effectiveness prior to making decisions to totally replace one program with the other.

Specifically, this bill provides for the continued implementation of the direct loan program at those institutions selected for participation in order to achieve 40 percent of new loan volume. It calls for increased congressional oversight with respect to the expenditure of funds on the part of the Department of Education and a revision to budget scoring rules that will correct the existing bias in favor of direct lending programs described by Rudolph Penner, former Director of the Congressional Budget Office, in his testimony before the Budget Committees of the U.S. House of Representatives and U.S. Senate on January 10, 1995. We have attempted to ease the application process for all students participating in the student aid programs to ensure that all students are treated in the same manner. Most importantly, we have provided stability to the student loan programs which are vital to the continued access to higher education for the students of this country.

In my new role as chairman of the Subcommittee on Postsecondary Education, Training and Life-Long Learning, I look forward to working with Chairman GOODLING and all the members of the subcommittee and full committee as we work to reform and improve the education and workplace policy programs under our jurisdiction.

CLINTON WRONG ON EIGHTIES

HON. BILL BAKER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 17, 1995

Mr. BAKER of California. Mr. Speaker, it has become fashionable in some quarters, including the White House, to dismiss the 1980's as a time of greed and venality, in which the rich exploited the poor and the Federal Government's deficits went wild due to the economic policies of the Reagan administration.

In today's edition of my hometown paper, the Contra Costa Times we read a lucid, compelling refutation of the President's misguided perspective. As the editorial in the Times notes, the eighties were a time of unprecedented economic growth. New jobs, rising wages and lower inflation followed the Reagan program. Yes, deficits grew—because a Congress without fiscal discipline spent without restraint.

I am including this outstanding editorial in the CONGRESSIONAL RECORD because it is a needed corrective to the relentless stream of misinformation we hear all too often about the Reagan era. I hope that many of my colleagues will take the time to read it.

CLINTON WRONG ON 1980'S—PRESIDENT SHOULD FOCUS ON PROBLEMS OF 1990'S

President Bill Clinton made a major mistake when he claimed that Republicans had disavowed Reaganomics and that Congress made a mistake in 1981 ''to adopt a bidding war in the tax cuts that gave us what became known as ''trickle-down economics' and quadrupled the national debt.''

Republican leaders were quick to point out that they never attacked Reagan's policies and that Clinton was dead wrong about the cause of the deficit.

The president's remarks are hardly a way to begin a bipartisan effort to control federal spending and bring about needed reforms in government programs.

Equally disturbing is the view Clinton and many others in positions of power have of the 1980s.

Reagan's tax policies, which received wide bipartisan support at the time, can hardly be blamed for mounting deficits. Even though tax rates were reduced, government revenues grew dramatically, nearly doubling in the 1980s.

As a percentage of gross domestic product, tax revenues remained nearly constant. What grew during the 1980s was government spending.

Clinton also was wrong in saying that under Reagan the poor got poorer while the rich got richer. That's only half true. Wealthy people indeed gained economically in the 1980s, but so did the poor and middle classes.

According to the Department of Commerce, even the poorest one-fifth of Americans gained income in inflation-adjusted dollars in the 1980s, as did every other major income grouping.

More than 19 million jobs were created in the 1980s, unemployment dropped by one-fourth, inflation dropped by two-thirds, and the country enjoyed a prolonged economic expansion. That's a record Republicans are not about to back away from.

It's time for Clinton to stop campaigning against the 1980s and work together with the GOP to correct the problems of the 1990s.

END CHILDHOOD HUNGER—NOT NUTRITION PROGRAMS

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 17, 1995

Mr. HALL of Ohio. Mr. Speaker, we all agree that welfare needs to be reformed—but we should not throw the baby out with the bath water. The Personal Responsibility Act contains a proposal to block grant current Federal nutrition programs such as WIC, Food Stamps, and the School Breakfast and Lunch Programs. It would remove their entitlement status. It would reduce their funding levels. This would be a terrible mistake.

Block granting these programs would in all likelihood increase hunger amongst our Nation's children. States will now have to bear the burden of administering the programs with less funding. States will be forced to make extremely difficult choices like reducing funding for WIC or eliminating the School Breakfast Programs because they are short of funds.

I believe it is part of the Federal Government's job to set priorities for our Nation and for me, our children are the priority. We can't, in good conscience, be unmoved when children go to bed hungry at night. We can't just send the issue of childhood hunger to the States and hope the problem goes away.

These food assistance programs serve as an important safety net for children. The Food Stamp Program alone serves 10 percent of the population in America—half of which are children. We know that for every dollar spent on WIC, we save $5 in health care costs later on down the road. We know that every child who participates in the School Breakfast Program is better able to learn in school and thus is more prepared to meet the challenges of the 21st century.

It is time to end childhood hunger, not successful nutrition programs that feed hungry children.

INTRODUCTION OF THE STUDENT LOAN EVALUATION AND STABILIZATION ACT

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 17, 1995

Mr. GOODLING. Mr. Speaker, today I am joining with several of my distinguished colleagues in the introduction of the Student Loan Evaluation and Stabilization Act—legislation that will allow a systematic review and evaluation of the current student loan programs. Specifically, this legislation will allow for the careful evaluation and comparison of the Federal Family Education Loan Program and the Federal Direct Student Loan Program to a true pilot status and allowing both programs to operate with continued stability for several years. Once this is accomplished, an independent evaluation can be made about whether the direct loan program serves students and institutions effectively, and whether the Federal Government can manage—and pay for—the multibillion-dollar student loan program which is so important to assuring access to higher education for millions of Americans.

Through the reconciliation process, the 103d Congress made policy considerations and decisions affecting the student loan programs without the benefit of a true evaluation of the long-term cost and effect. The impetus for the move to establish a direct Government lending program was projected budgetary savings of $4.3 billion over 5 years. When pressed, however, the Congressional Budget Office revealed that when the administrative costs associated with a direct determination, almost one-half of the savings disappear. Rudolph Penner, former Director of the Congressional Budget Office in testimony before the Budget Committees of the U.S. House of Representatives and U.S. Senate on January 10, 1995, identified this particular aspect of scoring a direct Government lending program as one of the arbitrary measures currently found in the Credit Reform Act which creates a strong bias in favor of using direct loans instead of guarantees.

While the Clinton administration was talking about promoting new public/private sector partnerships, they moved forward with their