

school interest exemption, it is estimated that students who are enrolled for bachelors degrees could see their debt burden increase by \$20,000 or more.

For example a student that attends a 4-year college and borrows the maximum amount would owe \$17,125. If interest is charged while the student is in school, the student would owe an additional \$3,407 or \$20,532 upon entering repayment. This 20-percent increase in the amount to be repaid would increase the monthly payment from \$205 per month to \$246 per month. The additional cost over the life of the loan would be about \$5,000.

This proposal is truly penny-wise and pound-foolish. Students who today pursue graduate study would have an enormous increase in what they owe. Those same students have the lowest default rate in the loan program. Increasing their debt burden, however, will certainly increase the risk of default.

The effects on graduate students are even more profound for a student who attends 4 years while earning a bachelor's degree and attends graduate school for an additional 2 years to earn a masters degree. Upon graduation, the student would owe \$34,125. If the interest exemption is eliminated, the student would owe an additional \$9,167 for a total of \$43,292. This represents a 27-percent increase in educational indebtedness and would increase the monthly repayment amount from \$409 to \$520 per month.

Every day families are making decisions about sending their children to college. Certainly one of, if not the major obstacle they face is how to pay for college. The loan is their last resort. It provides the extra but necessary money they must have after exhausting their own resources and obtaining any grants for which their children might be eligible. Increasing the amount their children owe after graduation may well place the dream of a college education beyond their reach. That, to my mind, would be a tragedy of truly immense proportions. In fact, recent studies show that the people who are the most uneasy about borrowing funds are those with low incomes. But these are the same low income students who will turn away from taking the loan because of the monetary increase. Without the funds, an education becomes an unachievable dream.

The proposal to eliminate the in-school interest exemption also comes at a particularly bad time. The cost of a college education continues to escalate at all levels, but particularly in the public sector where a previously affordable education is in danger. State after State has trimmed support for its public institutions. The result: Students and their families have had to pay more through higher tuitions and other related costs.

The need to borrow to pay for a college education is already increasing at an alarming rate. According to a recent study by the American Council on

Education, the volume in the Stafford Loan Program increased by 45 percent last year, and the average loan size grew by nearly 20 percent. The study also found that the increase in borrowing over the past year was far greater than any previous year's increase.

Unfortunately, borrowing is more necessary because we have failed to provide sufficient funding for our grant programs in general and the Pell Grant Program in particular. When we reauthorized the Higher Education Act 3 years ago, we sought to extend Pell grant aid to middle income families, but the sad fact is that funding has been inadequate to accomplish that objective. The consequence has been that more and more American families have been forced to borrow more and more money to pay for a college education. Elimination of the in-school interest exemption will only exacerbate an already worsening situation.

For example, at the University of Rhode Island in my home State, borrowing increased from \$8.2 million in 1988-89 to over \$26.7 million in 1994-95. For the current school year alone, cutting the in-school interest exemption would add another \$2 million in debt burden. That is not the direction in which we should be moving.

Mr. President, I care deeply about the education of our children. If the in-school interest exemption is eliminated, we will be removing an essential and very helpful feature of the federal loan program. I urge my colleagues to talk with college officials in their respective States and to learn just how devastating elimination of the in-school interest provision would be not only to their schools but particularly to their students. I also urge my colleagues to join me in expressing early and strong opposition to such a proposal so that it might be removed from any and all lists of education cuts under consideration.

Mr. HATCH. Mr. President, as in executive session, I ask unanimous consent that nominations to the offices of inspector general, excepting the Office of Inspector General for the Central Intelligence Agency, be referred during the 104th Congress in each case to the committee having substantive jurisdiction over the department, agency or entity, and if and when reported in each case, then to the Committee on Governmental Affairs for not to exceed 20 days.

The PRESIDING OFFICER (Mr. GRAMS). Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages

from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-313. A communication from the Under Secretary of Defense, transmitting, pursuant to law, the report of a violation of the Antideficiency Act, case number 93-9; to the Committee on Appropriations.

EC-314. A communication from the Under Secretary of Defense, transmitting, pursuant to law, the report of a violation of the Antideficiency Act, case number 94-02; to the Committee on Appropriations.

EC-315. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, the report on direct spending or receipts legislation within five days of enactment; to the Committee on the Budget.

EC-316. A communication from the Deputy Director of the Defense Security Assistance Agency, transmitting, pursuant to law, the report of the status of loans and guarantees issued under the Arms Export Control Act; to the Committee on Foreign Relations.

EC-317. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report of the analysis and description of services under the Arms Export Control Act; to the Committee on Foreign Relations.

EC-318. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, the report of the texts of international agreements, other than treaties, and background statements; to the Committee on Foreign Relations.

EC-319. A communication from the President of the United States, transmitting, pursuant to law, the report entitled "Procedures Established for Effective Coordination of Research and Development on Arms Control, Nonproliferation and Disarmament"; to the Committee on Foreign Relations.

EC-320. A communication from the Comptroller General of the United States, transmitting, pursuant to law, notice of the reports and testimony for December 1994; to the Committee on Governmental Affairs.

EC-321. A communication from the Director of the Office of Government Ethics, transmitting, a draft of proposed legislation entitled "Office of Government Ethics Authorization Act of 1995"; to the Committee on Governmental Affairs.

EC-322. A communication from the Acting Executive Secretary of the National Labor Relations Board, transmitting, pursuant to law, the report under the Government in the Sunshine Act for calendar year 1994; to the Committee on Governmental Affairs.

EC-323. A communication from the Director of Communications and Legislative Affairs, transmitting, pursuant to law, the report under the Government in the Sunshine Act for calendar year 1994; to the Committee on Governmental Affairs.

EC-324. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 10-302 adopted by the Council on