

professional achievement. I commend the SIF for the encouragement it provides to some of our Nation's most outstanding young scholars and future leaders.

At this year's event, the SIF presented scholarships to the winners of the 1995 National Leadership Grant Competition, the SIF's annual merit-based national scholarship competition. In addition, the SIF presented the 1995 NELA to businessman and philanthropist Joseph E. Antonini. Mr. Antonini's achievements in leading one of our Nation's largest retailers, Kmart Corp., and his strong support of charitable and educational institutions in Michigan and in his native State of West Virginia speak volumes for his character, perseverance, and leadership. In selecting Mr. Antonini for this honor and in awarding a merit-based academic scholarship in his name, the SIF has recognized one of the Italian-American community's most outstanding role models.

Mr. Antonini's rise from management trainee to corporate chief executive is an inspiring example of the American dream. The career of this son of Italian immigrants serves as a reminder of why our parents and grandparents traveled to this country and why today's immigrants are so eager to make their homes in our great country. Most appropriately, the scholarship that the SIF awarded in Mr. Antonini's name can now help the dreams and aspirations of an outstanding young student come true. There is no more important work for us to perform, no greater gift we can give.

The Order of the Sons of Italy of America's long and distinguished record of generous support for education should be recognized and praised. During the past three decades, OSIA and the SIF have distributed more than \$20 million for academic scholarships. The leaders of OSIA and the SIF have set a worthy example for other nonprofit organizations in their unselfish support of the young of our Nation.

I commend Ms. Joanne L. Strollo, national president of OSIA and chairwoman of the SIF; Mr. Valentino Ciullo, president of the SIF; Mr. Joseph Sciame, chairman of OSIA's National Education Committee; Ambassador Peter F. Secchia, NELA dinner chairman; and Dr. Philip R. Piccigallo, national executive director of the OSIA and the SIF, for their leadership roles in the 1995 NELA ceremony and the National Leadership Grant Competition.

Listed below are the names of the 10 winners of the National Leadership Grant Competition. These young men and women represent our Nation's highest level of academic achievement and leadership potential. I offer congratulations and heartfelt wishes for future success to:

Dominic A. Ricci, Joseph E. Antonini scholarship.

Brett Vasconcellos, Henry Salvatori scholarship.

Joseph H. Casola Jr., Louis J. Free-Michael Cappellotti-Daniel A. D'Amico scholarship.

Natalie A. DiPietro, The Hon. Frank J. Montemuro scholarship.

Danielle M. Dorsaneo, Pearl Tubiolo scholarship.

Morgan Lazzaro-Smith, Joanne L. Strollo scholarship.

Matthew J. Lazzara, Dr. Anthony S. Fauci scholarship.

William Lentz, The Hon. Silvio O. Conte scholarship.

Gary W. Caliendo, Lou Carnesecca scholarship.

Stacy Deanne Cerrutti, Giovanni Glessi scholarship.

RESCUE OF CAPT. SCOTT O'GRADY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1995

Mr. GILMAN. Mr. Speaker, this morning the Nation awoke to some great news, for once, coming out of Bosnia. The young pilot, Scott O'Grady, of our F-16 that was downed last week over Bosnia was well back in our hands. Captain O'Grady's rescue culminated 5½ days of riding an emotional rollercoaster for his family, his comrades at Aviano and for the entire Nation. We join with his family in our heartfelt thanks to all those who participated in his outstanding rescue, and our appreciation for this one chapter with a happy ending in the on-going Bosnian tragedy.

Recently, along with some of my colleagues, we had the opportunity to visit our airmen at the Aviano airbase in Italy from which Captain O'Grady flies. We were impressed at that time with the dedication and the high professionalism of all our personnel who serve with the NATO operation assisting the United Nations in Bosnia. This morning's dramatic operation only adds to our sense of admiration for the skill and training of these courageous young people serving in our military.

I would first of all congratulate Captain O'Grady for his skill and perserverance in surviving and evading capture behind enemy lines. I am confident that the Bosnian Serbs expended a great deal of effort in trying to locate him to use as another pawn in their cruel exploitation of U.N. peacekeepers in Bosnia. Captain O'Grady did everything possible to avoid providing the Serbs with a possible asset to use to hamstring this government. The fact that Captain O'Grady was found in relatively good health is a tribute to the superb services training our pilots receive.

Secondly, I congratulate the personnel aboard the USS *Keats* and all those who have undertaken the painstaking search and rescue operation that has been ongoing since the moment that SAM 6 struck Captain O'Grady's plane. The rescuers never gave up hope, and their confidence finally paid off. I particularly offer my praise for a job superbly done to the marines of the 24th Marine Expeditionary Unit that executed this daring rescue. They are a credit to all our men and women who serve this country in our Armed Forces. The Air Force and Naval personnel who supported the 24th MEU in this operation are also to be credit with the professionalism and persistence that made today's rescue possible. I know my colleagues join with me in extending our Nation's praise and gratitude.

HONORING PROJECT SANDOVAL COUNTY

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1995

Mr. RICHARDSON. Mr. Speaker, at a time when we are considering significant reductions in Federal funding for a wide array of domestic programs, it is important that we do our best in helping recipients find alternative resources. We can learn a great deal from groups and organizations which are succeeding with little or no Federal assistance and try to apply these success stories to other needy groups.

I call my colleagues attention to one such group in my congressional district, Project Sandoval County, Inc., which is run by two remarkable and dedicated women, Marty Sena and Yolanda Hall.

Project Sandoval County, Inc. is a New Mexico non-profit corporation dedicated to providing support services to victims of domestic violence, offender education and community education. Marty and Yolanda started the project out of their homes almost a year ago. Services are provided at no cost to the victims.

Domestic violence is a serious problem that crosses economic lines. Abusers and victims come from every social, racial and educational background. What Ms. Sena and Ms. Hall do, with their own money and with money they raise in the community, is provide victims of domestic violence with support groups, legal advocacy, 24-hour crisis intervention, children's assistance, and community education. They are also providing offenders with anger management counseling.

At a time when Federal funds for programs that combat domestic violence are threatened, it is important that we pay tribute to women like Ms. Sena and Ms. Hall who are making their life's work helping victims of domestic violence. I urge my colleagues to join me in honoring these women and suggest we and others can learn from their successes.

H.R. 1501, THE STUDENT LOAN PRIVATIZATION ACT

HON. ERNEST J. ISTOOK, JR.

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1995

Mr. ISTOOK. Mr. Speaker, please include the following remarks in the RECORD regarding H.R. 1501, The Student Loan Privatization Act.

STATEMENT OF THE HONORABLE ERNEST ISTOOK

Mr. Chairman, I am pleased to speak with you today regarding the federal student loan programs. I congratulate you on holding this hearing on an area of federal policy so important to America's future.

I am one of over four dozen members of the House of Representatives who have come to the conclusion that the Federal Direct Student Loan Program enacted two years ago is a mistake and that corrective action needs to be taken. The direct government loan is being implemented too quickly. Federal funds and the educational opportunities of students are being placed in jeopardy.

My bill, The Student Loan Privatization Act of 1995 (H.R. 1501) calls for a phase-out of the Federal Direct Student Loan Program. This approach reflects an unambiguous vision of the direction in which federal student policy should be moving. I would like to explain why I, and my colleagues, believe we should move immediately to terminate the direct loan program.

There are three principles that I believe should guide our consideration of student loans and other federal education policy:

First, the Federal government should only carry out those responsibilities that cannot be performed by the private sector.

Second, programs should be structured to minimize federal employment, whether that employment is direct—as reflected in the number of bureaucrats at the Department of Education—or through government contractors; and

Third, the opportunity for private sector participation in federal programs should be structured to promote innovation and efficiency.

Mr. Chairman, the William D. Ford Federal Direct Student Loan Program violates all three of these principles. That is why I propose eliminating this cumbersome federal program.

The Direct Loan Program was enacted as part of the Clinton Administration's massive budget bill in 1993. It was not subject to any in-depth examination or hearings and, in my view, would not have been enacted if it had not been buried in the larger budget legislation. It was adopted less than a year after Congress passed legislation to test direct government student lending in a pilot project in 1992. That was unfortunate.

Direct lending is nothing more than a government-run, multi-billion dollar consumer loan program. It is premised on three assumptions:

Sole-source government monopolies are more efficient and customer-oriented than the private sector; (This has yet to be proven true, given our experience with Public Housing, the Tennessee Valley Authority, and other government monopolies.)

The federal government is an efficient collector of loans (We have problems collecting other debt owed to the government.); and

Centralized administration of a program is consistent with assuring accountability and continued innovation (This flies in the face of all that the private sector is currently experiencing with their rightsizing and decentralization efforts made necessary by international competition and information technology).

Mr. Chairman, we have heard much over the last few months about the initial success of the direct loan program and the savings it has allegedly produced. These claims would be amusing if they were not being used to justify the massive expansion of the federal government now underway at the Department of Education.

First, we hear that schools like direct government loans. Let us examine this.

I was unaware that anyone on Capitol Hill doubted the federal government was efficient in giving away money. Unfortunately, it is this aspect of the direct loan program that is getting the rave reviews from schools and others—schools are getting student loan funds to their students with less paperwork and less hassle than before: That is the crux of the success story for direct loans. In fact, there are numerous higher education organizations opposing direct lending. My own Board of Regent in the State of Oklahoma is on record as opposing this takeover.

But what about the repayment process? Can anyone here show me a federal loan program where getting loan recipients to repay their loans has not been a problem? Loans

made under the direct government loan program are only now entering repayment. Only after we get significant feedback on the repayment process will any meaningful statement be possible on the "success" of the program. At this point, all we can say is that the Department of Education has proven again it is good at giving money away. The real test will be whether they can convince students to repay.

Second, we hear that the program "saves" more than \$12 billion over a five year period.

Mr. Chairman, the Department of Education itself has admitted that the current Credit Reform Act fails to account for the administrative costs associated with direct government student loans. Ironically, in criticizing Chairman Goodling's bill, the Department itself admits that the amendment proposed to the Credit Reform Act in that bill does not increase federal costs, but merely the point in time at which they are recognized. This is a \$4.5 billion distortion over 5 years that the direct lending program is not showing as a cost of the program. It is thus impossible to compare one program to the other under current credit reform rules.

Given the budget scoring distortions produced under the current Federal Credit Reform Act, is it any wonder that direct government lending appears cheaper than the private sector-based program?

More important perhaps than any analysis of Credit Reform is the work of the Congressional Research Service on the subject of student loans. The paper recently produced for Rep. Gordon unambiguously states the following: "There may be a logical rationale for direct lending, but low cost is not it."

To make the revenue stream to the government appear better than it really is, the administration has used 90-day Treasury note interest rates for loans that are actually on the books for 10 years. This results in a 2 percentage point difference in interest rates. It certainly does not take into account the risk the government is experiencing as a result of the dramatic increase in lending the pilot schools have experience (in the neighborhood of a 20% increase in the amount of direct lending.)

Finally, one item that greatly disturbs me is the move from a Guaranteed Student Loan program, where the government has a contingent liability, to a Direct Student Loan program where the taxpayer is liable for 100% of the amount of the loan, not just the default portion. The chart with me today, "Direct Lending's Impact on the National Debt," demonstrates this clearly. Using conservative assumptions throughout, assumptions clearly listed on the graph included with my testimony, after 20 years of Direct Lending, given default rates, growth in the program, repayments, and the "profit" from repayments, the National Debt will increase by \$348 billion between FY95 and FY2014.

Mr. Chairman, the enactment of the direct loan program effectively precluded exploration of innovations in the private sector-based program that may very well equal or surpass the ease in access to funds that many schools in direct government loans find so attractive. I understand that notwithstanding the fact that the Congress and Department of Education have not required or even encouraged program improvements in Federal Family Education Loans (FFEL), that the student loan industry is unilaterally undertaking implementation of such improvements on its own. Two of the most promising innovations are the Educational Loan Management initiative and the Nation Student Loan Clearinghouse. I also understand that much of the work of the industry is taking place in spite of poor cooperation from the Department of Education.

It seems the Department is reluctant to cooperate with the private sector when it

sees itself as a direct competitor. I was very disturbed to see a quote from Mr. Leo Kornfeld of the Department of Education in a May 22nd *Forbes* article where he states, "I want to go toe-to-toe against the industry." This is clearly inappropriate and reflects the belief of some at the Department that the private sector is the enemy.

Mr. Chairman, I would respectfully suggest that this subcommittee pay careful attention to Mr. Kornfeld's activities in his capacity as Senior Advisor to the Secretary. A situation where the regulator of the private sector student lending sees itself as a competitor is most untenable.

There are several other observations I would like to make about the direct government loan program. These observations, among others, prompted me to introduce my bill:

First, I am concerned about how the Department of Education is marketing the program. Direct government lending is supposedly a break-through in administrative simplicity that all schools should be rushing to join. Instead, the Department is using part of the \$2.5 billion made available for poorly defined "administration" of the program to fund newspaper advertisements, to contract with a New York City advertising firm, and to send dozens of employees to financial aid conferences to sell the program. If direct government loans are so good, shouldn't the program be able to sell itself?

In these times of serious budget problems, should the Department of Education be spending hundreds of thousands of dollars on advertising and public relations? I don't think so.

I would suggest, Mr. Chairman, that the administrative funds available for the direct government loan program have been subject to inadequate and deficient oversight at the Department. I urge your subcommittee to fully review the types of activities the Department is undertaking with monies that were understood by many of us to have been made available solely to service student loans.

Second, I am concerned about the types of schools that seem anxious to get into direct loans. Mr. Gordon has documented the disproportionate number of high-default schools that have applied for, or been accepted into the program.

What does the fact that problem schools seem to like direct government loans so much tell us? It tells us that the program appears an easy source of virtually unlimited federal funds to these schools. It tells me that the direct government loan program is a disaster waiting to happen. Remember that the Savings and Loan debacle was about \$50 billion.

Third, I am very concerned about the level of responsibility placed in the Department of Education. The Department of Education has a record of administrative inefficiency. As you know, it was the Department of Education that ran the Federal Insured Student Loan Program, the failed program that led to the concept of a decentralized, private sector based student loan program.

I simply do not believe that the management problems at the Department have disappeared, notwithstanding the fact that the 520 new bureaucrats being hired to run direct government loans, in direct contradiction of the premises of reinventing government.

I see no evidence whatsoever that the Department is doing a better job in policing the types of schools that get into the federal student aid programs. In fact, Mr. Chairman, the only real progress in reducing defaults resulted from imposition of cut-offs of schools for high default rates, something that Congress enacted on its own.

It is time for us to admit the mistake of enacting direct loans in 1993 and to get on

with the project of making sure the private sector loan program works efficiently. The longer we delay getting rid of this ill-conceived government monopoly, the greater the problem will be in getting rid of it later.

I would like to close my statement by emphasizing that my reasons for objecting to the direct government loan program are reasons which appear to have strong bipartisan support.

On January 19, 1995, the President stood with the Vice President and several members of the Cabinet at the White House and said to the American people "We propose to stop doing things that government doesn't do very well and that don't need to be done by government." The Vice President went further. He declared to the American people who sent a clear mandate in November to reduce government that "over the next several months, we will be looking at every other agency and program asking the direct question, do we really need this agency; do we really need this program; there is a better way to do it; is there an opportunity here to give middle-class Americans a break? We have already eliminated over 100 programs. We will eliminate a lot more in the weeks and months ahead." Mr. Chairman, I urge all of my colleagues, Republicans and Democrats alike, to join in my efforts to help the President achieve these stated goals by supporting H.R. 1501 to eliminate direct government student loans.

HONORING MORTON GOULD

HON. BOB CLEMENT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1995

Mr. CLEMENT. Mr. Speaker, I am honored today to pay tribute to one of the pioneering composers of the 20th century, Morton Gould. Mr. Gould is the 1995 Pulitzer Prize winner in music for his work "Stringmusic", which he wrote as a tribute to cellist and conductor Mstislav Rostropovich.

Mr. Gould has often been referred to as the Franz Josef Haydn of American music. He is a true original, helping to forge a national classical music where there hadn't been one. Along the way, Gould has composed so much music he can "barely keep track of it all."

Mr. Gould composed his first piece, entitled "Just Six," when he was, in fact, 6 years old. A teacher got it published. Being a child prodigy wasn't easy, though: boys will be boys, and according to Mr. Gould, he was often roughed up by the bullies at his elementary school for his musical tendencies.

One of Mr. Gould's most famous compositions is "American Salute," his 1943 arrangement of the American standard "When Johnny Comes Marching Home." Mr. Gould says that people often approach him to say that they played the song in band class when they were younger.

Mr. Gould dropped out of high school during the Great Depression; as the oldest of four boys an ill father, it was his responsibility to support the family. He took a job playing piano at Radio City Music Hall in New York, and at age 19 he played at the Music Hall's December 27, 1932, opening night.

From 1934 to 1943 he conducted and was in charge of music at the Mutual Radio Network, and in 1943 he went to CBS radio. He continued composing and making a name for himself with such popular tunes as "Pavane",

and with ballets that were choreographed by Agnes de Mille and Jerome Robbins.

Mr. Gould served more than 40 years on the board of the American Society of Composers, Authors and Publishers, which protects the copyrights of musicians. He was president of the society for 8 years.

In December 1994, Morton Gould was honored by the Kennedy Center for his innumerable and enduring contributions to American culture, and in 1995 he was awarded the Pulitzer Prize for music.

It is an honor and a privilege to salute Morton Gould, one of America's premier composers. His musical gifts have enriched the lives of people the world over, and his timeless legacy will continue to enrich lives for generations to come.

H.R. 1786, A BILL TO REGULATE FISHING IN CERTAIN WATERS IN ALASKA

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1995

Mr. YOUNG of Alaska. Mr. Speaker, I am pleased to offer a bill today which would allow for the traditional fishing of Red Fish in the Katmai National Park during the months of August to October of each year by a limited number of my Alaska Native constituency in the Bristol Bay area. This bill is the result of the work of the Bristol Bay Native Association in cooperation with the Alaska Federation of Natives.

This bill would allow approximately 30 to 40 local residents who live within the boundaries of the Katmai National park to fish for Red Fish during the months of August to October of each year. The ancestors of local residents who reside within the boundaries of the Park have participated in the annual harvest of Red Fish from August to early October every year. While Katmai National Park was designated a park in the 1930's, local residents were prohibited from the taking of fish except with a rod and reel. This bill would allow the local residents to again fish for a traditional dietary fish of their region.

Specifically, section one defines the Katmai National Park.

Section two is the provision which would allow local residents, to, again, begin their traditional fishery of Red Fish within the Katmai National Park during the months of August through October.

Finally, section three addresses the effect of title and jurisdiction of tidal and submerged lands within the Katmai National Park.

Mr. Speaker, I offer this bill at this time to begin the process of reviewing each of these important provisions which affect my Native constituency. I introduced an identical bill last year, H.R. 4943, and am pleased to report that I received no opposition to the intent of that bill from any State or Federal agency or from any other group which may have an interest in this bill. Thank you for the opportunity to briefly explain my bill today.

TRIBUTE TO WAYNE LEESE

HON. DAVE CAMP

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1995

Mr. CAMP. Mr. Speaker, it is with great pleasure that I rise today to recognize an outstanding individual from Bridgeport, MI, Wayne Leese. Over the course of his life time, Wayne has shown exceptional dedication to the school community. On June 12, 1995, Wayne will be recognized for his devotion to our youth and out community when he is presented the Second Annual Government's Community Service Award.

In 1994, Bridgeport was selected to host the American Legion 16 & Under National Baseball Tournament. As the General Manager of Cablevision, Wayne was able to obtain a \$1500 contribution from ESPN so that Bridgeport-Spaulling Community School District could purchase an electric scoreboard. Furthermore, Wayne set up and chaired a raffle which raised over \$1800 for the tournament.

In addition to obtaining funds for the school district, Wayne has also expanded Bridgeport-Spaulling Community School's communication capability by providing a public access channel. This channel enables the school district to dispense educational materials, award recognition to students, allow access to video-broadcast of school events, and serve as another form of communication in an area without a daily local newspaper. However, Wayne Leese's contribution doesn't stop there. He continually serves as the information expert for the technology he provides to the community. Moreover, he devotes his time to making sure that the school community has the most updated interactive communication system.

Furthermore, Wayne, as an active member of the Bridgeport Chamber of Commerce, is constantly seeking ways to contribute to the community. With the Bridgeport Fire Department, Wayne set up a model on wheels which helps teach children about fire safety. Since 1990, Wayne and Cablevision have donated thousands of dollars to the "Toys for Tots" charity and area fire departments.

Mr. Speaker, Wayne Leese is an outstanding individual who is devoted to improving the Bridgeport Community. He has literally brought the technological world into this rural area. I know you will join me in commending Wayne for all that he has done as he receives the Governor's Community Service Award.

NATIONAL FLAT TAX SURVEY RESULTS

HON. DAVID FUNDERBURK

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1995

Mr. FUNDERBURK. Mr. Speaker, let me commend to you the following statement by a fellow North Carolinian, Mr. Louis T. March. Citing the results of a survey conducted by the Representative Government Education Foundation, Inc. as evidence, Mr. March presents a thoughtful argument for implementation of a nation flat tax.