

PRESIDENTIAL CAMPAIGN 1988

The Candidates Square Off

Dukakis: Bush:



Henry Washington



CPS

Plan helps middle-class

By Michael O'Keefe

(CPS)—Democratic presidential nominee Michael Dukakis unveiled a plan Sept. 7 to let students repay their college loans at a rate that depends on how much they earn after they graduate.

The idea—which in fact has been tried at a number of campuses—immediately drew mixed reviews.

Bruce Carnes, deputy undersecretary at the U.S. Dept. of Education, said it would "soak" students who got well-paying jobs after graduation.

He predicted students training to take higher-salaried jobs would refuse to join the program, forcing the federal government to kick in dollars to cover the loan costs of lower-paid students who would never repay all that they owed.

Dukakis' aid Thomas Herman, of course, was more enthusiastic.

"This is not only feasible, it is desirable," he said. "It will allow everyone who is qualified and wants to go to college to go to college."

"We're extremely pleased that one of the presidential candidates has come forth with a new and imaginative program for college loans for people from all walks of life," said Richard Rosser, president of the National Association of Independent Colleges and Universities.

Janet Lieberman of the U.S. Student Association, which represents campus student governments in Washington, D.C., said, "It's a very creative program to help middle-class families, but it doesn't really address the needs of low-income people."

"What low-income people need is grant money," said Merkwitz of the American Council on Education. "They're the least likely to take out loans. Both presidential candidates need to develop plans to address the needs of the neediest."

The Dukakis plan would allow any students, regardless of family income, to get a federally guaranteed student loan, repay it through mandatory payroll deductions during the student's working years for as long as they work, or "buy out" of the program at any time by paying a lump sum.

As a result, graduates who find jobs with high salaries could pay back more than the interest and principal on their loans, while low-income students may never pay back all they borrowed.

"The problem with Dukakis' plan is it depends upon people who are likely to make reasonable incomes being willing to get soaked," Carnes said.

Rosser believed the federal government will have to subsidize the program to keep it viable—something Dukakis says won't be necessary—but in the long run would deal "with the student loan default question in a very effective way," thus saving taxpayers millions of dollars.

Because the government would take its payment directly out of grads' paychecks, the default rate—at least theoretically—would be minimal.

"It's nice that under this plan you can graduate and going into a low-paying job like teaching

paying off your loans," said Lieberman. "We appreciate the creativity."

Yale University had a similar loan program for 3,600 students from 1972 to 1978, in which students could borrow a portion of their tuition from the school and begin repaying it after graduation at a rate of four-tenths of one percent—or \$4 per year—for each \$1,000 borrowed.

Dukakis' plan by contrast,

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would have students repay their loans at a rate of \$8 per year for every \$1,000 borrowed.

"We still think it's a plausible idea," said Yale's Donald Routh, director of financial aid.

Routh said Yale dropped the idea because it required massive amounts of capital to maintain it. Administrators figured it would take 17 years before payments would reduce the outstanding balance owed the university.

Yet fears that students anticipating a high income would not participate in such a program proved not to be true, Routh added.

Carnes' own U.S. Dept. of Education also has promoted an "income contingent loan" program, now being tested at 10 campuses.

In his last two federal college budget proposals, in fact, President Reagan asked Congress to replace virtually all Guaranteed Student Loans with income-contingent loans, but Congress, heeding educators' testimony that it was too early to tell if the idea is workable, opted for a pilot program instead.

Under Dukakis' plan, loan repayments would come directly all the principal and interest they owed in a prescribed time.

Under Dukakis's plan, loan repayments would come directly out of graduates' paychecks, much like their Social Security payments. Graduates would not have repayments deducted from earnings over a certain cap, probably to be set somewhere between \$50,000 and \$100,000 a year.

Graduates who borrowed \$20,000 to get through college and earned, say, \$20,000, would repay the government \$500 in a year, or 2.5 percent of their income.

Students would take out the loans, which would be guaranteed by the government, through banks.

Aaron thought it interesting that Dukakis, who has trailed Republican presidential nominee George Bush in the polls since mid-August, unveiled the "substantive" proposal because he thinks it's something the American people want.

But although he commended the Massachusetts governor for developing a program with meat, Aaron feared it will be used against him.

"Things are a little out of hand. The politicians are carped on because they don't offer anything substantial. Then when they offer something substantial, special interest groups come out with complaints about technical minutiae. It all comes down to jealousy. They're jealous because they didn't think of it first."

Bush says yes to aid

By Michael O'Keefe

"I have been going around the country saying I want to be known as the 'education president,'" George Bush said during a campaign stop in California this summer. "This reason is simple: Opportunity is what America is all about, and education is the key to opportunity."

An educated workforce, Bush believes, is the key to a prosperous economy. To prepare that workforce, he promises more student aid, plans to help families save for their children's education and programs to bring more minority students to campuses.

He says his U.S. Dept. of Education would avoid the confrontational style of President Reagan's Education Department under William Bennett.

And while all that might sound very attractive to a national college community buffeted by eight budget cuts and White House criticism, a lot of people in higher education think George Bush is full of bunk.

Bush "will do whatever his advisors tell him to do to get elected. Hell, it's politics," said Dr. Robert Clodius of the National Association of State Universities and Land Grant Colleges.

While Dr. Aims McGuinness of the Education Commission of the States thinks "you can take the vice president at his word: He wants to be the education president." He wonders whether Bush would take the political heat of funding college programs at the expense of, say, defense.

"Whoever is elected president has to face three major problems," McGuinness said. "They

will have to deal with the budget and trade deficits, the high priority placed on defense spending and the commitment to entitlements for older people, such as Social Security.

"He can't do anything about education if he doesn't address those problems first."

McGuinness, Clodius and other education professionals note Bush offered public support for—and certainly no public re-

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sistance to—the Reagan administration's budgetary attacks on federal college funding.

But now the vice president calls for maintaining work-study, the still-unproven, income-contingent loan program and Pell Grants for low-income students.

For middle-class students, the vice president, like his Democratic opponent, Gov. Michael Dukakis, proposes creating a College Savings Bond. The bond would be similar to U.S. Savings Bonds, except that interest earned would be tax-free if the bond is applied to college expenses.

Helping students pay for college should be "one of our highest priorities in the 1990s," Bush says.

"The only thing he's wedded to is the college savings bond

plan," said Becky Timmons of the American Council on Education (ACE). "It's something we're interested in. It could be an important vehicle for the middle class. But Bush has not laid out concrete plans for the poor."

"He's ignoring a whole sector of the population," Janet Lieberman of the United States Student Association (USSA) said.

The vice president, a Yale grad, does have a long record of supporting black colleges. Many black college presidents credit Bush with helping their institutions secure federal grants.

Bush, too, has been a long-time supporter of the United Negro College Fund, donating half the royalties he receives from his autobiography Looking Forward to the fund.

While a Texas congressman from 1967 to 1970 Bush did vote for the major education funding bills that arose.

Education, in fact, is one arena where Bush appears eager to distance himself from the Reagan administration, but many campus denizens unrepentantly resentful of Reagan, wonder where he was when they needed him.

"The question is, where has he been for the last eight years?" asked Michael Edwards of the National Education Association. "For a lot of people it is going to take some convincing, but they're going to doubt his credibility."

But Terrell Bell, President Reagan's first Education Secretary, noting vice presidents are supposed to play subservient roles, didn't "think it's fair to say the vice president should be responsible for the president's policies."

Although Bush avoided criticizing the Reagan administration's education policies in public, Bell said, he did so often during cabinet meetings.

"I believe he will continue to emphasize the value of education for all people," said Bush advisor Shirley Gordon, president of Washington's Highline Community College.

"Just the phrase 'education president' indicates he wants to give education a higher priority, a different emphasis than we've seen under President Reagan," said Dr. Richard Rosser, of the National Association of Independent Colleges and Universities.

And even Bush skeptics are delighted the vice president is paying attention to them, meeting with them and including them in his speeches.

"That he speaks to education is a healthy sign," said Lieberman of the USSA, perhaps one of the Reagan administration's most outspoken education critics.

"I'm delighted he's put so much attention on education," said Prof. Gloria Hom of California's Mission College, another Bush advisor. "I think Bush will work better with education than Bennett has."

Still, the ACE's Timmons cautioned all the good intentions in the world won't count without cash.

The vice president's proposal to freeze federal spending for one year to reduce the budget deficit, she maintained, "would constrain the prospects of doing anything for education that's current and vital."

"The real gutsy stuff is what his priorities will be when it comes to budget requests," Clodius said.

1988 OFFICIAL PRESIDENTIAL BALLOT

FOR PRESIDENT AND VICE PRESIDENT OF THE UNITED STATES

INSTRUCTIONS TO VOTER

- To vote this ballot, make a cross mark in the circle below the name of the political party for whose candidates you wish to vote.
- A vote for the names of a political party's candidates for President and Vice-President is a vote for the Electors of that party, the names of whom are on file with the Secretary of State.
- If you tear or damage or wrongly mark this ballot, return it and get another.

<p>DEMOCRATIC</p> <p>To Vote for Candidates Listed Below</p> <div style="text-align: center;">○</div> <p>Mark Within This Circle</p> <p>For President and Vice-President of the United States:</p> <p>MICHAEL S. DUKAKIS LLOYD M. BENTSEN</p>	<p>REPUBLICAN</p> <p>To Vote for Candidates Listed Below</p> <div style="text-align: center;">○</div> <p>Mark Within This Circle</p> <p>For President and Vice-President of the United States:</p> <p>GEORGE BUSH DAN QUAYLE</p>	<p>NEW ALLIANCE</p> <p>To Vote for Candidates Listed Below</p> <div style="text-align: center;">○</div> <p>Mark Within This Circle</p> <p>For President and Vice-President of the United States:</p> <p>LENORA B. FULANI WYNONIA BREWINGTON BURKE</p>
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State of North Carolina
General Election
November 8, 1988

Chairman, State Board of Elections