

Senator Paul Tsongas

Speech to the Senate

February 10, 1982

Mr. President, today I am introducing a Sense of the Senate Resolution opposing the Administration's proposal to end Guaranteed Student Loans for graduate and professional students.

The Administration<sup>'s</sup> plan would deny an advanced education to many low and middle income students. It would undercut progress in opening professional careers to minorities. President Reagan is willing to let the fields of medicine, law, engineering and the sciences be limited to students from wealthy families. That prospect is unjust and totally unacceptable.

Let us take a look at the victims of this proposal. Many students whose families are not wealthy have to struggle financially to get through college. If they aspire to careers that require additional schooling -- and see that goal put out of reach -- some of them may not even feel motivated to pursue an undergraduate education.

Many graduate and professional students are older Americans with families and financial obligations. Many are women who want and need to reenter the workforce. They should have a chance to improve their career options. They deserve the opportunity to pursue the American Dream.

This proposal marks a clear retreat from our national commitment to equal opportunity in education. I hope that the Senate and the House will not bend from our longstanding support of this principle.

Making Equality a Reality

Mr. President, graduate and professional students were made eligible for Guaranteed Student Loans by Part B of Title IV of the Higher Education Act of 1965. These students were included to ensure that the highest levels of education are open to talented individuals -- no matter what their family's income level. This opened up careers that offer high responsibility and high salaries. Now, after a generation of progress, the Reagan Administration is ready to deny today's students their chance.

There are over 1.5 million graduate and professional students in the United States. About half of them depend on the Guaranteed Student Loan Program to help pay for their education. These students are ineligible for Pell Grants and Supplemental Educational Opportunity Grants. As we see in the new budget, the National Direct Student Loan Program and the College Work Study Program are targeted for drastic cuts.

Therefore, closing the door on the GSL program will just about end any chance of graduate education for many students. Our nation will be the ultimate loser.

The Administration is suggesting the Auxiliary Loans to Assist Students (ALAS) program as a substitute. Imagine that, -- a student loan program with the acronym "alas". Perhaps the originators of this program were aware of its ill-fated future from the beginning. This substitution is unworkable.

The ALAS program was developed last summer to expand the Parents Loan for Undergraduate Students (PLUS) program, which lets the parents of undergraduates borrow money at 14% for college expenses. There is very little difference between a PLUS loan <sup>and</sup> and a consumer loan.

Many lenders are satisfied with the quality of PLUS loans. But in Massachusetts, only 125 lenders joined the program -- compared with 384 lenders participating in GSL. And no lenders in my state were willing to participate in the new ALAS program. In many states the program is not even available to lenders!

Even where the program is offered, it is not a realistic aid to graduate students who are financing their own education. Recipients have to begin repaying interest on the loans 60 days after the loan disbursement. Many full-time students simply do not have the resources to do this. How many medical students will be able to pay 14% interest on student loans over a four-year period?

### Closing Doors and Closing Eyes

In reality, President Reagan wants to close the door to professions, and close his eyes to that fact. This would be more than an unjust handicap for the individual students. It would be a self-inflicted weakness for the nation as a whole. Particularly in areas of advanced technology and the sciences, we must invest seriously in human resources. We cannot afford to cut the quality and quantity of our professional workforce.

The Administration's proposal is especially troubling to me. I am one of many Americans who might not have been able to attend a professional school without the Guaranteed Student Loan Program. I am deeply committed to its continuation.

Mr. President, I will fight this proposal at every opportunity. At the appropriate time, I will introduce legislation to this end. But this resolution is a beginning -- a concrete signal that we will not back away from equal opportunity education. I hope my colleagues will support it to oppose the Administration's planned retreat from a basic principle.

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