

A fresh idea on loan defaults

Wednesday's Emerald reported that the Oregon Student Lobby (OSL), a group consisting of representatives of the student governments of Oregon's state institutions of higher education, has developed a new proposal to revitalize the guaranteed student loan programs which are now in jeopardy because of high rates of borrower defaults. The plan calls for a new payment schedule tying the borrower's monthly payments to a percentage of monthly income.

Between 1968 and 1976, \$400 million worth of national student loans ended in default, some because of a declaration of bankruptcy, and others because of an unwillingness to pay off the loans. There are stories about high-income basketball players, psychiatrists and others who have abused the loan programs. But overall, loan defaults on student loans occur because the student finds him- or herself faced with a low-paying job or no job at all after graduation.

Too often, the student graduate is holding a degree in one hand and a large debt in the other.

At the University, the default rate on student loans for the National Direct Student Loan program, for example, has hovered over 24 per cent since 1975. According to Federal General Accounting Office estimates as of August, the sum of all the federally funded guaranteed student loans programs weathered a default rate of about seven per cent of the students in the programs. About six per cent of the total dollars in the federal program were lost to defaults, and the federal government picked up the tab.

It should be noted that the federal programs include the figures for NDSL's, direct guaranteed student loans, as well as other federal grant programs. Drawing a direct correlation between the total nationwide default rate and Oregon's default rate may be misleading. The University NDSL program, for instance, may be inflated by the defaults due to death or disability, new loans which will not mature for several years, past-due debts which are in the process of collection, and other factors.

However, the trend is clear; student loans default at a rate far above the regular bank loan rate of one-half of one per cent. The federal government has announced it will crack down on the definition of "independent" to reduce the number of students applying for the loans. If the guaranteed student loans continue to default at their present rate, the entire loan program may be in danger.

In the light of these facts, the OSL's proposal to revamp the loan repayment policy to create a payback scheme by which the graduating student pays a percentage of his or her income is a welcome breath of fresh air. The idea may well result in few student loan defaults since it will be easier for students to afford it.

An ideal solution to the student default problems might be to lower tuition rates to a sane level which all students could afford. That idea is a little like shooting for the moon, however, the best possible proposal is to revamp the loan programs to allow students a more realistic payback schedule, and the OSL proposal does just that.

Letters

An injustice

It's no wonder that some professors publish more than others: they lecture off-the-cuff, waste three hours of the students' time a week, and then expect him to learn the material on his own. Those who do take the time to prepare clear, well-organized lectures lose their jobs.

A professor who publishes prolifically at the expense of his classroom performance does each student an injustice.

Ann Widder
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Misrepresented

I should think Emerald reporters would be more responsible than was Melody Ward in her article on the front page of the November 30th issue concerning CSPA revisions. Not only did she claim to quote me when she actually paraphrased my comments and then put them in quotes, but also

her interpretation was entirely faulty. What I did say was that the Political Science Department was more theoretically oriented toward a career in academia; whereas, CSPA is more practically oriented toward careers in government related fields. At no time did I represent the rest of the departments in the University as being too theoretical. I have insufficient experience in them to make any judgments. I do hope that Ward will be more careful in the future.

Tony Goss
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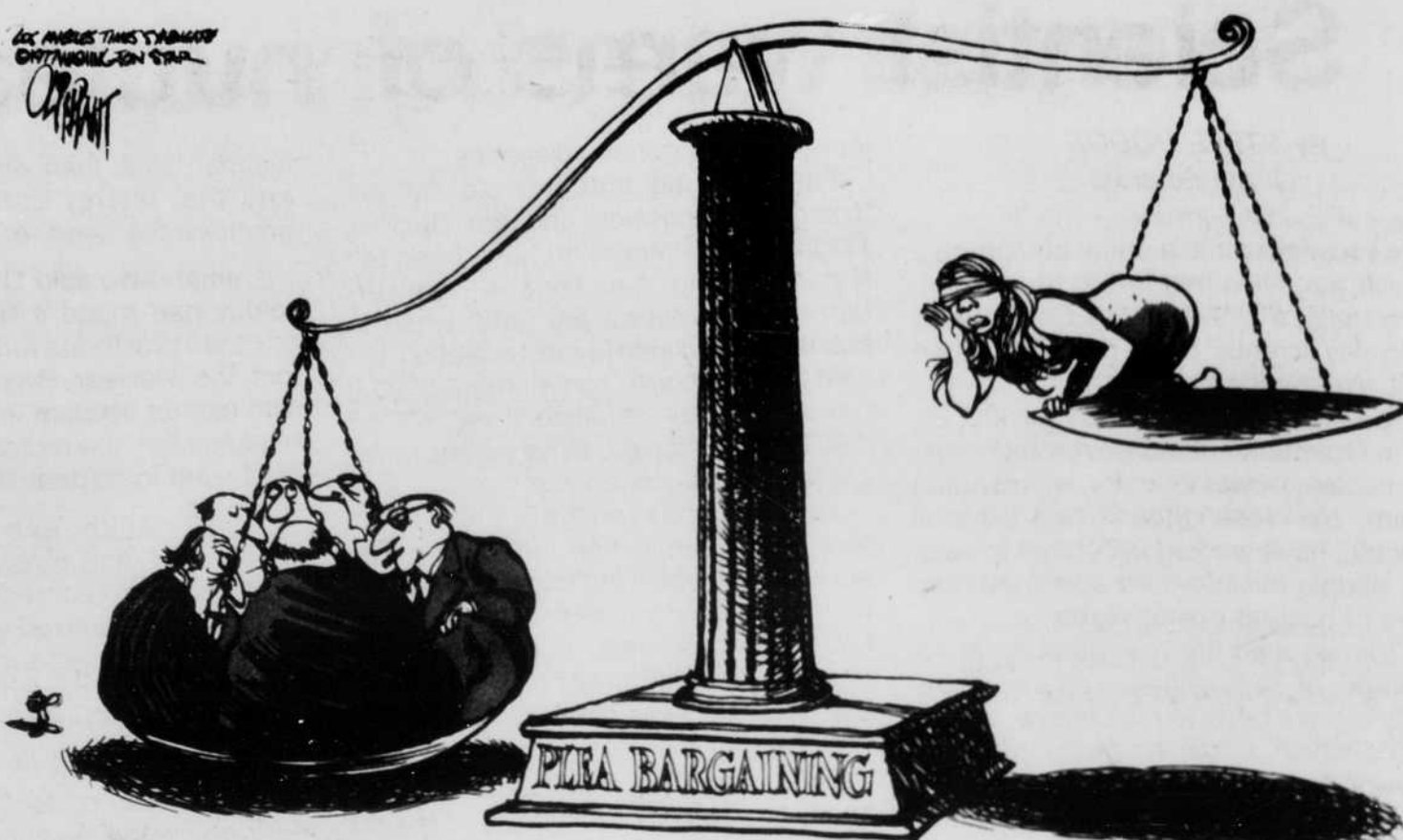
Season's greetings

Season's greetings from Watts, Harlem, the southside of Chicago, Detroit, Newark ... please don't forget us as you unwrap your gifts, the stereos, radios, the elegant gowns. (And please don't blame us if we crave what you deny us.)

The nation's poor (officially numbered at twenty-four million) remind us to get our packages in the mail early to avoid the rush.

The two-hundred thousand

AT THE TIME THIS WAS WRITTEN
BY THE NEW YORK TIMES



opinion

Militance led to Board decision

Submitted by
Jonathan Draper and
John Kaiser for the
Revolutionary Communist
Youth Brigade

The dumping of the State Board's stock in Southern Africa represents a major victory. As part of the larger nationwide struggle, it is a real blow against apartheid and U.S. involvement in Southern Africa.

And yet certain forces have been trying to cut the heart out of this victory and lay the basis for having it snatched away. They picture the decision as a "courageous" act of the board, rather than as a victory won by the students! And they picture the tactics necessary to win that victory — a strong, militant and determined struggle — as "rhetoric" and "bad manners."

The Emerald seems to forget that it took thousands of students at this University, PSU and OSU — in a struggle initiated and led by the Revolutionary Student Brigade (RSB) — to force the State Board to put Southern Africa on its agenda. Seven months ago we had to sit-in at Chancellor Lieualen's office before he would even talk to students about Southern Africa. The Southern Africa Support Committee and the RSB had to spend weeks gathering signatures and jam the ASUO to get last spring's referendum scheduled.

And even after we forced the board to deal with the investments, they still shuffled it from committee to committee for months, hoping we'd drop the struggle. Just last month the Finance Committee voted to keep the stock — after hearing hours of testimony at three meetings similar to that which supposedly swayed them this month.

Why did they work so hard to keep the stock? Because the State Board is made up of people like Louis Perry, corporate executive; Loren Wyss, stockbroker; Robert Ingalls, newspaper publisher; Les Anderson, owner of a lumber industry newsletter and buying service; and several corporate lawyers. It's the same across the country — our universities are run by the same class of corporate owners and bankers that runs the rest of society and is responsible for the economic and social problems we face. And it's them and their imperialist system which has also kept apartheid afloat and profited from it for all of these years.

If this is true, how did we beat them Nov. 18?

We won, first of all, because the courageous liberation struggle of the peoples of Southern Africa has risen to such a pitch that it was politically impossible for the board to ignore our demands.

We won because we recognized and exposed the State Board as the tool of the rich that it is. If they had been able to maintain their image as our "mature and thoughtful representatives," then they could have succeeded with their earlier hogwash about having to do the "unpopular thing" (keep the stock) because of their "weighty responsibility to the people of Oregon." That's why it

was vital to bring out who these board members represent.

With their cover blown we had them pinned against the wall, leaving them with two choices: vote against divestiture, knowing that their thin facade of "democracy," "freedom" and "justice" would go crumbling in the eyes of thousands of students and working people in Oregon. Or dump the stock, lick their wounds, and try to turn defeat into victory by showing how "reasonable" they can be when "citizens" present "reasonable" arguments.

It's being said back East that University of Massachusetts trustees dumped their stock because they saw a movie about apartheid. This is the same kind of absurd re-writing of history. That's not how these struggles are being won. Not by begging or persuading, but by militant and determined struggle, pitting thousands of students against the boards which represent the handful of rich. That's a lesson people in this country have learned repeatedly. For example, the Vietnam War was ended by millions in fierce struggle against the rulers of this country, both in Vietnam and in the streets here.

These are vital lessons. If we forget them, or allow them to be distorted, the board and others can take the heart out of them and snatch back our gains. Already they're preparing to do so. The Nov. 23 Eugene Register-Guard reported that Oregon's Attorney General questions the legality of divestiture. If this is pursued, the issue could get caught up in the courts for years, while the board keeps the stock and the African peoples continue their life-and-death fight for freedom. The regents have already done this in Wisconsin.

Divestiture in Oregon is just the beginning. Americans must unite in our millions to support the struggles in Southern Africa and get the U.S. out. We must carry on our militant and uncompromising struggle for divestiture — both to protect this victory and to force the University Development Fund to divest its \$275,000 in Southern African stock.

But we must broaden our struggle. We must join the African Liberation Support Coalition's (ALSC) nationwide fight to ban the sale of the Kruggerrand, South Africa's gold coin. We need to link the oppression of the Southern African peoples to oppression here in the U.S., as the ALSC's slogan does: "Fight imperialism and National Oppression from Southern Africa to the USA!" And we need to build broadly for major demonstrations next May for African Liberation Day to demand: "U.S. Out of Southern Africa!"

To do this we have to move forward with our eyes open to the lessons of our struggle and not allow those we've fought so hard against to re-write history in their own interests. The peoples of Southern Africa have learned from bitter experience that they must fight those who profit from apartheid, not reason with them. Our interests lie in standing with the Southern African peoples against our common corporate exploiters. If we correctly draw these links and sort out friends from enemies, we can help them defeat U.S. imperialism in Southern Africa and in the process strike a blow for our own liberation.

prisoners, many of whose only crime was to be stupid enough to be born black or poor or both in a rich, white America, remind us there are only twenty-one shopping days until Christmas.

The rapists, child molesters and pornographers, wife beaters, and Anita Bryant implore us to keep Christ in Christmas.

Happy New Year! from the

Palestinians, who ultimately are little more than pawns in their cynical game ... from democracy in India, which is alive and well, debating in the best liberal tradition while thousands die in Andhra Pradesh ... from the Panamanians, whom we must humiliate because they had the gall to ask for what is theirs ...

As for myself, I am thankful we

live in a world where there is no justice — for if there were, each and every one of us complacent, secure, selfish, and blind University students would choke on his or her Christmas meal — and this pious hypocrite would be consumed by flames.

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