

The government attack on US college students

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The US House of Representatives passed a tax cut bill Thursday whose reactionary and anti-working class character has no modern precedent. An estimated \$1.5 trillion in tax cuts are awarded to corporations and the super-rich, partly through increased federal deficits—which will undermine entitlement programs such as Social Security and Medicare—and partly through increased taxes on millions of working-class and middle-class people.

Among the most savage cuts are those targeting young people at the onset of their productive lives—those attending community colleges, universities and graduate schools. These young people are already facing a future of immense and likely unrepayable student loan debt. More than 44 million Americans hold a total of \$1.4 trillion in student debt, a sum greater than total US credit card debt or automobile loans.

Student loan debt could soon rival the total debt for home mortgages. The average payoff time for a student loan is approaching 20 years, and more than 3,000 people default on federal student loans every day.

The tax plan of the House majority, should it pass the Senate and be signed into law by President Trump, would drastically worsen the conditions of life for millions of youth and young adults who are already struggling. The House bill would increase the cost of attending college by \$65 billion over the next ten years, according to an estimate by the American Council on Education (ACE).

It repeals the tax deduction for interest payments on student loans, which provides a saving of up to \$625 a year for student loan borrowers making less than \$65,000 or married couples making less than \$130,000. In 2015, more than 12 million people filed tax returns with deductions for interest on their student loans.

The House bill requires that tuition waivers, which 145,000 graduates receive in exchange for working at the university, frequently as teaching assistants, be taxed as income. At high-tuition schools, in particular, tuition may be two or three times the actual pay that a graduate student receives for work. The result will be a large

number of graduate students seeing their taxes rise by a staggering 400 percent, according to the ACE.

This change will force large numbers of grad students to leave school and make it virtually impossible for students from a working-class or low-income background to receive a Masters degree or PhD, let alone attend medical or law school, which are even more costly. It will also affect staff and employees of colleges who receive discounts or free tuition if their children attend the college where they work. These workers will also have to pay income taxes on the tuition waiver, as though it was part of their take-home pay.

The House vote follows a series of administrative actions and budget proposals by the Trump administration that would seem to be motivated by particular vindictiveness toward college students and their families:

- The Public Service Loan Forgiveness program, established in 2006 to limit the debt burden of students who opt for lower-paying public service jobs, is being run into the ground, with half of all applicants disqualified from the program administratively, according to one report. Trump's budget proposes eliminating the program entirely after July 2018.

- The Trump budget also includes a provision to eliminate entirely the federal Subsidized Stafford Loan, which has traditionally allowed students to defer payment while enrolled in a college or university, and had a somewhat lower interest rate upon graduation.

- Overall, the Trump administration proposes to cut \$9 billion from education spending in the 2018 fiscal year, including \$3.9 billion from Pell Grants and a reduction in subsidies for campus child care for students who have young children.

- Trump has named as the head of the Department of Education's antifraud unit Julian Schmoke, former administrator of the for-profit DeVry University. Nearly 2,000 DeVry students applied for "borrower defense to repayment" claims with the Department of Education, claiming they had been defrauded by the for-profit school with false promises of good-paying jobs if they graduated.

DeVry settled charges with the Federal Trade Commission last December for \$100 million and changed its name to Adtalem.

These actions come as the conditions of life facing college students, frequently juggling jobs, debt repayment plans and classroom pressures, have dramatically worsened. According to the annual survey of the American College Health Association, the proportion of undergraduates reporting “overwhelming anxiety” rose from 50 percent in 2011 to 62 percent in 2016.

State governments are doing their part in what can be described only as a full-scale assault on college students by all levels of the capitalist state. Of the 50 US states, 44 have slashed spending for college and university education since the 2008 financial crash, according to one survey.

The *New York Times* reported Sunday a particularly brutal attack on students who fall behind in their debt payments. At least 20 US states suspend occupational licenses—and in one state, South Dakota, even driver’s licenses—for students who have defaulted on their loans.

Hundreds of nurses in states such as Louisiana and Tennessee, hundreds of teachers in Texas, and as many as 8,700 students overall in a wide range of professions have had their licenses suspended or even revoked. This measure is counterproductive in terms of its professed aim, since a nurse or teacher who cannot work without a license also can’t make debt payments.

The targeting of college and graduate students by the Trump administration and the congressional Republicans by no means indicates that congressional Democrats have a more socially enlightened agenda. The Democratic objections to the Republican tax bill are largely for show: the Democrats fully support the centerpiece of the legislation, a dramatic cut in the corporate tax rate, objecting only to certain specifics on how that is to be paid for.

Where Democrats have been in power at the state level, they have pursued budget cuts in education just as ruthlessly as their Republican counterparts. Under the Obama administration, more than 300,000 public education jobs were wiped out as part of the reckoning for the 2008 Wall Street crash, as Obama and the Democrats carried out the bailout of the banks at the expense of working people.

Both parties uphold the interests of the financial aristocracy and the capitalist system. They repeat endlessly that “there is no money” for schools, colleges or any other genuine social need, while showering money on

the Pentagon and the police-state apparatus being established by the intelligence agencies and the Department of Homeland Security.

There is an instructive symmetry in the fact that the House tax bill offers \$1.5 trillion in tax cuts to the wealthy while the US student loan debt now exceeds \$1.4 trillion. The entire debt of a generation of students could be eliminated by simply not giving the super-rich this bonanza.

It is no accident that among the younger generation there is rising interest in and support for socialist policies. A recent survey found that more young people in America would choose to live under socialism or communism than under capitalism, if they had a choice.

And they will have that choice. The building of a mass movement of the working class and youth, based on a socialist and internationalist program, is the perspective of the Socialist Equality Party and our youth movement, the International Youth and Students for Social Equality.

The SEP and the IYSSE fight for the development of a political movement of the working class and youth in opposition to both big-business parties and the capitalist profit system. We demand the complete cancellation of student debt owed to the government and the banks, as part of a socialist program for the nationalization of the banks and major corporations and their transformation into public utilities under the democratic control of the working population.

We urge all young people and students to join the IYSSE and help build the SEP and the readership of the *World Socialist Web Site*.



To contact the WSWWS and the
Socialist Equality Party visit:

[wsws.org/contact](https://www.wsws.org/contact)