

Jan. 8 / Administration of William J. Clinton, 1997

I have today nominated Charlene Barshefsky to be the next United States Trade Representative. She has done an outstanding job as Deputy United States Trade Representative since 1993 and as Acting United States Trade Representative for the last 9 months. I am confident she will make an excellent United States Trade Rep-

resentative. I urge the Congress to take prompt and favorable action on this legislation.

WILLIAM J. CLINTON

The White House,
January 8, 1997.

Remarks on Receiving a Report on Student Loan Default Rates and an Exchange With Reporters

January 9, 1997

The President. Thank you very much, Fiona. And I want to thank all the young people for coming here and for representing the best in our country and the best of our future. I also want to thank Secretary Riley for this report and for the work that he and the good people at the Department of Education have done every day for the last 4 years.

When I ran for this office in 1992, at every stop along the way, I always said one of the most important things for me to do in the next 4 years was to open the doors of college education wider by passing a loan program that would allow people to pay their college loans back as a percentage of their income, to have more options to pay their college loans back so no young person need ever fear going to college because of the crushing burden of debt on them in the early years after they got out, but that at the same time, we had to have more responsibility by dramatically lowering the student default rate.

I went to law school and college on scholarships and loans and jobs, and I felt very strongly that it ought to be easier for people to go but that it ought to be harder to evade your obligation to repay the debt. And we have worked very, very hard to achieve those objectives. And that's why we've worked hard to expand college loans and lower their costs through the direct loan program. I'm glad that Fiona is a direct-loan student. We've seen the results of that throughout the country, and we believe that when those loans start to be repaid, they will lower the default rate even more.

We expanded Pell grants and work-study programs in the last session of Congress to their highest level in history. We had the biggest in-

crease in Pell grants in 20 years, and we added 200,000 more work-study slots. AmeriCorps was created, and it lets young people, obviously, earn money for a college education by serving in their communities.

And in addition to that, as this report points out, we have strengthened the basic bargain. There has been more opportunity, but there is more responsibility. The default rate on student loans that is being announced today is the lowest in the history of America. It has dropped 40 percent since I took office. It is now below 11 percent. We want it to go lower still, but we can be proud of the fact that more young people who go to college are showing that, along with everything else, they have learned the important lesson of their responsibility to pay the loan back. And that means savings of hundreds of millions of dollars to our taxpayers, savings which will make it easier for us to balance the budget and easier for us to invest more in education.

We have done our part by placing tough sanctions on schools that didn't do their part to prevent defaults, and in some cases, we actually took away eligibility for Federal loan programs. When necessary, we have tracked down defaulters and made them pay. Frankly, a stronger economy has also helped to produce today's good news. More young people who get out of college can get good jobs and repay their loans more easily, and that's very, very important.

But the bottomline is that this report shows that our strategy of opportunity and responsibility is working. It's working because of the steps that have been taken to improve student loans