

The November 2022 Midterm Elections - Student Loan Forgiveness

Article I of the US Constitution clearly states that **“All legislative Powers herein granted shall be vested in a Congress of the United States...”** It then goes on to state **“All Bills for raising Revenue shall originate in the House of Representatives...”** Congress is responsible **“to pay the Debts [of the federal government]...”** Most of our country’s citizens have been taught that this means **“Congress has the power of the purse.”**

Nowhere in Article II is there any mention that the President has any legislative (or fiscal) authority. The Executive Branch’s primary responsibility is to execute the laws that have been passed by Congress.

Unfortunately, it appears that younger voters have probably never been taught those aspects of our Constitution. Or, maybe the problem is that they have been misled by the media to believe something different.

The Left has been promising student loan forgiveness for several years. Surprisingly, on July 28th, Nancy Pelosi appropriately informed President Biden (who evidently doesn’t care what the Constitution says) that he cannot unilaterally forgive student loan debt. Her quote was **“People think that the President of the United States has the power for debt forgiveness. He does not. He can postpone, he can delay, but he does not have that power.”** She reminded the reporters that student loan forgiveness can only be accomplished through an act of Congress.

Of course, other members of Congress such as Senator Elizabeth Warren and Rep. Ayanna Pressley continued to urge President Biden to cancel \$50,000 or more in student loan debt. They all realized this would be a very effective tactic to buy some votes in the midterm elections. Rep. Pressley went even further, arguing that cancelling student loans is a matter of racial justice, as she characterized student loan debt as **“policy violence”** against Black and Brown borrowers.

Here is an inconvenient truth about student loan debt (no matter who the borrower might be, or what their skin color might be) - - Student loan forgiveness doesn’t forgive the loan. It merely transfers the loan to others who never asked for the loan, or agreed to the loan, or benefited from the loan. Another aspect of Biden’s **“promise”** is that there was never any proposed legislation to pay for his plan (estimates of the cost ran from \$379 billion to \$519 billion). Therefore, the cost would have been borne by future generations who never asked for, or agree to, or benefited from those loans.

Nevertheless, on August 24th, shortly before early voting began for the midterm elections, President Biden released his “Fact Sheet” for **“Student Loan Relief for Borrowers Who Need It Most.”** His Fact Sheet is available on the internet. It included the following interesting facts.

“Since 1980, the total cost of both four-year public and four-year private college has nearly tripled, even after accounting for inflation.” Conservatives, who understand the economics behind supply and demand, are not surprised (at all) by the consequences of the massive amount of government funds that have contributed to the escalating cost of a college education. The supply of money pumped out by the federal government to facilitate student loans could only have one effect – the rapidly escalating costs.

Biden then went on to state that **“Federal support has not kept up.”** This comment really misses the fundamental point that this entire “government manufactured crisis” was caused by the federal government’s involvement in something that it should never have initiated in the first place. Neither providing funding to colleges, nor funding student loans are proper functions of the federal government under the Constitution. Of course, facilitating student loans has proven to be just one step (of many) in the process of indoctrinating woke college students. As Vladimir Lenin once noted “Give me four years to teach the children and the seed I have sown will never be uprooted.”

Here are some more facts. **“The typical undergraduate student with loans now graduates with nearly \$25,000 in debt. For the most vulnerable borrowers, the effects of debt are even more crushing. Nearly one-third of borrowers have debt but no degree, according to an analysis by the Department of Education.”** So, do those facts now become the taxpayers’ problem?

“The skyrocketing cumulative federal student loan debt – \$1.6 trillion and rising... is a significant burden on America’s middle class. Middle-class borrowers struggle with high monthly payments and ballooning balances that make it harder for them to build wealth, like buying homes, putting away money for retirement, and starting small businesses.” We actually agree with those facts and opinions. But conservatives believe the root cause of the problem is the federal government itself.

Playing the race card once again, Biden then mentions that the debt burden falls disproportionately on Black borrowers. (See our comments above). Therefore, Biden’s Fact Sheet / agenda said that one of the goals was to **“Advance racial equity. By targeting relief to borrowers with the highest economic need, the Administration’s actions are likely to help narrow the racial wealth gap.”** Some people might connect the dots all the way back to a quote by Karl Marx – “From each according to his ability,

to each according to his need.” The Left’s agenda is textbook Socialism and divisive Racism.

Another section was entitled **Protecting Borrowers and Taxpayers from Steep Increases in College Costs... While providing this relief to low- and middle-income borrowers, the President is focused on keeping college costs under control... The President signed the largest increase to the maximum Pell Grant in over a decade and provided nearly \$40 billion to colleges and universities.**” See our comments above on what inevitably happens when the federal government oversteps its bounds and distorts the marketplace.

The most absurd section of Biden’s Fact Sheet said that **“the Department of Education has already taken significant steps to strengthen accountability.”** However, the accountability that Biden discusses is not on the borrowers, but on the “accreditors” – the colleges and loan officers.

The rest of Biden’s Fact Sheet lists a number of special interest groups that would benefit from his “Loan Forgiveness” program. It’s a long list of everyone who could benefit, but of course excludes a group of people who have no voice in his unilateral decision – our children and grandchildren, who never asked for, agreed to, or benefited from these loans.

Alexander Fraser Tytler warned us back in 1700s -

A democracy is always temporary in nature; it simply cannot exist as a permanent form of government. A democracy will continue to exist up until the time that voters discover that they can vote themselves generous gifts from the public treasury. From that moment on, the majority always votes for the candidates who promise the most benefits from the public treasury, with the result that every democracy will finally collapse due to loose fiscal policy, which is always followed by a dictatorship.

So... Did 18-30 year old voters vote their “values” in the 2022 midterm elections? Unfortunately, they probably did. Fortunately, this whole vote buying scheme is tied up in our country’s court system. It should never again see the light of day.