In his speech, the U.S. Commissioner of Education discussed programs of federal financial aid to higher education and makes recommendations regarding the educational programs that might be offered in U.S. Institutions. Federal loan programs have been increased consistently, enabling more and more students to attend higher education institutions. However, these programs can be of no benefit unless institutions are also enabled to expand their facilities to accommodate the ever-growing needs of the new students. Basic and applied research is encouraged as a major priority for higher education as well as the installment of continuing life education programs. Corrective efforts for potential college dropouts is a definite need, although the Commissioner sees a program of prevention in the elementary and secondary schools as being even more important. It is projected that only 20% of all jobs in the U.S. during the 1970's will require bachelor's degrees, and it is recommended that the colleges and universities institute 2-year occupational training programs for those who do not desire 4-year liberal arts programs. It is concluded that the U.S. Office of Education and the American Council on Education should work closely together to promote the best interests of the higher education community. (HS)
Since I'm still new on the job and eager to get ahead, I make it a practice to consult regularly with as many sources of guidance and inspiration as I can. I read reports, talk with an assortment of experts, watch my horoscope, and when something unusually sticky comes up --- busing, say, or a teachers' wage freeze, or institutional aid --- I might light a few candles.

So it was natural that in preparation for this meeting I turned to a universally recognized source of balanced thinking --- the American Council on Education. I was searching for insights into the relationship between government and higher education, your ideas as to how well we're doing and what needs to be improved.

Perhaps not surprisingly, I discovered that your thoughts --- as expressed in various Council publications --- mirror my own. Though our points of view and our reasons for being are necessarily different, we recognize in common that the alliance between Washington and our institutions of higher education is strong, productive, and necessary and, I hope, mutually trusting --- though with ample room for change and improvement on all counts. I found, in sum, neither overwhelming approval nor disapproval but a lively concern on your part that the Federal partner choose the wisest and most effective means of supporting and influencing the course of higher education in America. I share that concern.

*Before Fifty Fourth Annual Meeting of the American Council on Education, Shoreham Hotel, Washington, D.C., Thursday, October 7, 1971, 9:00 a.m.*
While I have met with and spoken to many individuals and groups in higher education informally and off the cuff, I am joining the debate on higher education for the first time this morning in an on-the-record prepared-paper role. First, let me say that I claim no credit for the splendid success of recent and current Federal undertakings in higher education. And I regard myself as free as yourselves to criticize the things that clearly are not working --- and there are some of those.

The policies to which we react with either pleasure or pain were ratified while I was engaged elsewhere on smaller though no less interesting canvases. But 10 months of in-service study now have familiarized me with them and persuaded me that Federal plans and programs to stimulate reform of higher education are in substantial need of reform themselves. That process --- with your generous assistance --- is well along. For our deliberations during these months, as Peter Muirhead will verify, have been immeasurably enriched by the contributions of an ad hoc committee of your representatives, an entirely unexpected but welcome byproduct of last year's annual meeting of the Council in St. Louis. Or perhaps we should call it the annual encounter.

If you recall, Pat Moynihan, then a counsellor to the President, described what he saw as the tepid support the higher education community was giving the President's programs. Council Chairman Arthur S. Flemming, not one to let a challenge slide by, countered with the assertion that the higher education profession was anxious to become deeply involved in the legislative process --- if only the Administration would ask.

We asked --- and received --- your help, particularly in reshaping the National Foundation for Higher Education concept and in designing a way to
provide Federal aid direct to colleges and universities, an add-on to the original proposal. And I would say that we not only have as a result of our collaboration a far better legislative package on the Hill than we would have otherwise produced, but I think we also have achieved a deeper mutual understanding and hence better prospects for a productive relationship in the future. We seem finally to appreciate the extent to which our fortunes are interlocked. We seem finally to know that the question is not whether the Federal Government will be involved in shaping a new order of higher education, but what form its contribution will take. Today, I believe, that form is clearer and sharper and more logical than ever before.

The Administration's legislative designs are self-evidently calculated to produce a bond of growing strength between government and higher education in order to come much closer than we presently do to matching opportunity for intellectual and professional advancement with our individual and national needs. The President has left no doubt of his intense conviction that we must build now a national policy of long-term effective support for your institutions which are, after all, the instruments through which any higher education policy must be carried out --- one by one, pluralistically, campus by campus, with no Washington high priest pretending to direct the action. I can assure you that this will be accomplished in concert with you --- there is no other way --- and in a manner that recognizes and expresses sympathy for your legitimate aspirations for your individual institutions and their specific goals. We do not need standardized higher education; but we do need a system that while diverse is broadly committed to
public needs, to adaptability, and to large social goals illuminated and furthered by Federal support.

The President's intentions toward higher education were made clear in his budget request for Fiscal Year 1972, where he asked for a record total of more than $6 billion for all Federal higher education programs. Of this amount some $1.8 billion --- the largest component --- was established for Office of Education programs --- $800 million more than our 1971 appropriations. The President sought this authority in order to redeem his 1970 pledge to provide more Federal aid to those students least able to pay the costs of college. And we have followed through on this pledge.

Since this is the town where purposes, policies, pledges, and politics come finally to the mixing bowl, our 1972 higher education budget came in at less than we had asked --- some half-billion dollars less. But we still have some $370 million more than last year and the extra money has given us the opportunity to boost substantially our work-study, educational opportunity grant, and student loan programs, as well as to expand such enterprises as Upward Bound, Strengthening Developing Institutions, and Language Training and Area Centers. All of these efforts are directed in one way or another at enhancing individual opportunity in compatibility with social needs and Federal priorities. It is also a source of special satisfaction to me that we have been able administratively to direct more of our student aid toward the underprivileged, with the result that thousands of youngsters who would otherwise have been excluded are in class at this moment, with a good number
of them very likely in the colleges you represent.

We are particularly gratified by the latest figures for the Guaranteed Student Loan program, the workability of which was in deep question not too long ago due to its fixed interest rate in a rising interest market. But in Fiscal Year 1971 students received more than $1 billion through the program, the first time it's crossed that psychic barrier. And the growth goes on: during the first two months of this fiscal year nearly 385,000 loans totaling more than $430 million were made — and that's nearly 35 percent more dollars than the year before.

We are encouraged by the success of this effort and nearly all of the Federal aid programs to higher education, but it is with the legislative proposals now pending before Congress that our real hopes lie. It is, I believe, extremely fortuitous that I have the privilege of addressing you at this moment in the Congressional calendar — rather than, say, two weeks ago, or two weeks from now.

I am referring, of course, to the four fundamental concepts of aid to higher education which the Administration has advanced — first, equality of opportunity; second, institutional aid compatible with a national purpose; third, support for research; fourth, encouragement of innovation and reform. These four initiatives are included in S659, the bill which was passed by the Senate unanimously in August, and three of them in markedly different forms are in HR7248, the bill which is moving toward floor action in the House. Undoubtedly there will be further modifications as the legislative procedure goes forward to conference, but with the strong support of the higher education
community I believe that the law that will be given to the President for his signature --- perhaps in November --- can include in principle the concepts embodied in our original proposals. It would be less than forthright of me to imply that we are as pleased with the House versions as we are with the Senate's. Indeed, I cannot help but wonder at the cautious conservatism on this subject from members of Congress ordinarily known for their liberal stance. We are asking that Federal laws and corresponding funds -- both for students and institutions -- respond to the desperate problems of the poor, the suppressed, the minorities, the have-nots. We also ask for new authority and funds for institutional reform and renewal by those institutions which wish to undertake change. On both counts the Senate says Aye. The House, at least at this stage, is saying -- the disadvantaged and institutional reform are not priorities here, we wish to continue the status quo in higher education.

Enactment and funding of the measures contained in the Senate's Pell Bill would enable us in partnership with you to undertake really significant new efforts with strongly beneficial implications for your students and your institutions, efforts that would move us substantially closer to realization of the new order of Federal interest in higher education that you are seeking in America.

The first of the proposals is still further-expanded student grants and loans including establishment of a secondary market --- the National Student Loan Association --- which can make possible a vastly expanded NDEA-type loan program for your students. This proposal would give us important added leverage in the struggle to close the gap between privilege and poverty in America because principal beneficiaries would be low-income students with
Federal funds going first, and in largest amounts, to the neediest, with pro rata differences in resources reaching the more economically favored, but still limited as to income.

The Senate bill, while accepting the idea of a secondary market, has made major changes in the loan provisions, though the measure is still consistent with the President's intention that no student be barred financially. Our present student aid programs are benefiting a million and a half students this year; the new program would add on still another million from the most deprived economic group, those whom society has routinely bypassed through almost conscious exclusion from opportunity through higher education. We propose to save them now — and with your help to redress this historic inequity. And in evidence of our commitment we have prepared appropriations requests to match the scale of our rhetoric.

But beyond student aid looms the unanswered question of institutional aid. An expanded program of student aid and other forms of assistance without a parallel program of operational support for the colleges suggests a tactic widely practiced at one time in minor league baseball — selling more tickets to the opening game than there were seats in the stadium. Waves of students, many of them federally aided, have swamped your establishments. You must find seats for them, and dormitories, and lab equipment and fill the thousand and one domestic needs that the presence of a student creates, particularly the disadvantaged student who brings with him more than ordinary unfilled needs which institutions find costly. And we know that the normal financial strain, which is severe enough, has become well nigh unbearable under the impact of recession, inflation, and slashed research funds.
The Association of American Colleges predicted two weeks ago that 200 colleges and universities will run out of cash within a year and that, if the trend continues, 365 institutions will go under financially within 10 years. Hundreds have reported operating losses --- in some instances running into the millions --- and many have been forced not only to curtail basic operations but, sadly, to wholly cancel the creative, innovative thrusts their students need, almost above all else. I don't know how accurate the AAC figures are, but we know --- and you far better than I --- that the situation is gravely serious, and, I would say, dangerous. There is, indeed, as the Carnegie Commission has pointed out, a new depression in higher education.

You have long maintained the necessity of Federal operational support and, within certain restrictions, this has now come to be the view of the Administration as well. I would call attention to the effective leadership of Secretary Richardson in this important policy development. We have proposed to the Congress carefully qualified cost-of-education allowance funds that would be tied to the institution's total Federal student aid funds in recognition of the burden imposed on colleges and universities that seek to educate large numbers of economically, socially and educationally disadvantaged.

Unlike the Senate version, the allowance as proposed would match the dollars of Federal student aid going to the college or university, not the numbers of students aided. Our intention is thus to avoid creating incentives to spread aid thinly over the maximum number of students to get more cost-of-education allowance and we hope that a provision more closely resembling the original proposal will emerge out of the House deliberations.
and the conference.

Finally, both the level of funding for the allowances and the structure of the student aid program on which it is based should enable us to avoid creating artificial inducements and incentives for State and local governments and, for that matter, private givers to shift major financial burdens to the Federal Government.

The third Administration priority for higher education is encouragement and support of basic and applied research. It now appears that the higher education measure will include an Administration initiative of major significance to colleges and universities—the National Institute of Education. NIE, as we hope it will emerge from the legislative process, would be a new HEW agency reporting to the Commissioner of Education but separated from the Office of Education. It would be concerned with how to restructure our educational system for greater effectiveness. We want to find ways to increase access to education, to broaden the age range of learning, to increase the reality of the learning place, to design learning programs for individuals, to increase the range of resources for learning. NIE will examine education not as rigidly divided into elementary schools, high schools, colleges, and so forth, but rather treat it as a system of continual renewal that begins with the very young and never stops.

In laying the groundwork for NIE we are examining all levels of education from three very broad viewpoints—improving the quality of education, improving education of the disadvantaged, and effective use of resources in education. Higher education will be an important part of all three problem areas. We will want to examine the notion of a university
not located in a single spot but permeating the city, the suburbs, and the country. We will want to look at experimental-minded institutions --- Friends World College in New York and our University Without Walls are examples, as is the TV system in Nebraska, and Yale's student loan experiment --- and learn from their successes and their problems.

NIE would, in sum, finally get it all together in educational research, tying together a vast assortment of scattered theories and experiments into a coherent whole --- and in the process moving the art of educational research to a new level of competence and respectability. We estimate that about 90 percent of the NIE funds will be distributed to contract sites such as colleges and universities, with 10 percent devoted to in-house R & D.

Closely complementing NIE is the last of the Administration's higher education proposals --- the National Foundation for Higher Education. The Foundation is cast in the spirit of encouraging innovation, and supporting institutions to meet additional costs of exemplary programs. As such, it is a direct and highly imaginative response to a need for renewal that you and your associates have long recognized and in many instances are now struggling to meet. This has been repeatedly confirmed in our many conversations with your associations and individual administrators.

We feel this enterprise could go far toward helping to break the deplorable lockstep of postsecondary schooling and opening it up to new ideas, certainly, and to new people as well --- individuals who are now excluded as too old or disqualified by reason of circumstance. We believe moreover that the Foundation could significantly enhance the capabilities of the institutions themselves to fulfill their distinctive role as teachers of men and women and
as infinitely useful resources in the continued building of America, a
very demanding and complex job of work.

Certainly there is a growing body of evidence that such institutional
self-scrutiny is long overdue and in many instances well underway. The
problem has been exhaustively documented --- in such work as the Newman
Report, the various Carnegie Commission studies, and the investigations of
Reisman and Jencks. This matter, of course, is your responsibility and,
indeed, your trust. The Federal Government has no power and, I would say,
neither the desire nor the competence to impose its will in matters of
organization, curriculum, and instructional practice. The Congress has
written some rather precise instructions in legislation authorizing our
programs that prohibit any sallies in that direction, and I not only accept
these caveats --- I applaud them.

The National Foundation would put into your hands the means to seek and
effect useful and necessary change, on your own terms as an individual
institution. It would be up to you to make use of Foundation grants to
examine the nature of your institutional purpose and to appraise how
effectively you are carrying it out. Again, the information we have --- on
dropouts, on surplus degrees, on generalized student disenchantment, on
questions of economic solvency --- suggests a pressing need for this kind of
basic investigation.

In a few months, if the pattern of recent years reasserts itself ---
and there is no reason to believe it will not --- many of the young men and
women presently under your roofs will begin dropping like autumn leaves, and
for reasons not necessarily related to finance. In fact, we can conservatively
predict that one-fourth of all entering freshmen will withdraw before their second year. This unhappy proportion is likely to increase as the two-year colleges continue to expand, for retention rates are even lower in that sector.

This is the obverse, tarnished --- and in some measure predictable --- side of the growth phenomenon of recent years. Many young people are in college today for the only reason that they have no other respectable choice. Aimless and unwilling students are serving no useful end, either to themselves or the institution. I do not believe you wish Federal assistance in perpetuating that condition. You should expect Federal assistance in altering it.

The National Foundation embodies the notion that higher education needs a place to examine its soul and to begin devising ways to cope with the terrible pressures of steadily expanding enrollments, increasing student disenchantment, and profoundly altered expectations of higher education on the part of practically everybody --- parents, students, educators, the community, government, business. The Foundation should be a substantial help to you in resolving your problems, whatever they may be in your institution, through the purposeful engagement of minds and wills and talents. The Foundation would be a source of money --- $100 million in the first year of operation --- which you could use as you saw fit to probe the potential of both your students and your institutions and develop new and imaginative answers for each.

At this point I will reveal my personal bias toward a specific concept --- the idea of career education --- and express the hope that you will
devote your energies and your funds, whether from the National Foundation or elsewhere, toward integrating it into your curriculum, or perhaps integrating your curriculum into it. For career education as we have been thinking of it is a very large idea indeed, and one that we in the Office of Education are working to spread throughout elementary, secondary, and at least the community college spectrum.

Dropouts are not created in freshman year of college. Their aimlessness is usually the product of 12 prior years of aimless education. Many of their classmates from those years, lacking funds or college-minded parents, drop out of the system without attempting college. You have the dubious honor of receiving the fully developed product --- restless, dissatisfied, unmotivated, unguided in any realistic sense toward mature recognition of the responsibilities and opportunities of adult life --- and wondering, I'm certain, just what it is one should get out of college --- apart from a taste for Herbert Marcuse, ski weekends, and liberation from parents.

Corrective action is needed at your level but the preventive medication must be applied very much earlier, perhaps beginning at age eight or ten. In my judgment we need a thorough overhaul of both elementary and secondary curriculum and procedures, especially for the unmotivated and the unfulfilled. OE researchers are working toward this end; they are producing a model career education program for use in the schools, one to encourage and expand cooperative educational ventures with business and industry, and one to reach adults and dropouts through the use of television, tape cassettes, and other technology in their homes and through community organizations. Career education is a developing notion in the Office of Education and we are not
attempting at all to limit its potential scope or even to nail down its formal definition; we believe it can eventually affect the education of virtually everyone at one time or another —— guiding youngsters to occupational awareness and desire, leading adults to a reexamination of opportunities missed in their earlier lives, touching and enhancing the life prospects of everyone from a mechanic to a surgeon, always holding open the option to enter the world of work following high school, the young person should retain his option to enter higher education later —— not unlike those under the GI bill.

Degree fixation, the misguided notion that the only road to respectability leads at least to a bachelor's degree, is at the heart of the career dilemma in America. Students and their parents, as well as our society at large, must come to understand that there are many worthwhile, decent, and fulfilling occupations that do not necessarily require a degree and will not in the foreseeable future, and that human excellence and fulfillment have more than one configuration. The Bureau of Labor Statistics has forecast that no more than 20 percent of all the jobs in the United States during the decade of the 1970's will require as much as a bachelor's degree. The remaining 80 percent will be within reach of a high school diploma, or —— and this, I believe, will be an increasingly relevant component —— nondegree postsecondary schooling.

I would hope that your explorations will linger on the possibility of offering this type of program in your college or university —— two-year occupational training of the sort now offered by more than 130 State colleges, with increasing sophistication and articulation with our economy and our social needs.
I have sometimes been charged with anti-intellectualism as I have advanced the career education theory. I hope that the reverse is true. I believe that elementary and secondary education will become far more realistic, with the implicit motivation for academic learning undergirding the career mode. I also believe that those young people choosing higher education following high school will do so with reason and purposefulness as distinct from a folklore of snobbery, and that they will be better for you, and you will be better for them. The real hidden agenda under career education is the expectation for greater academic success for many thousands of young people in high school.

I should like to conclude on the note with which I began: that we in the Office of Education will continue to look to the American Council and to your colleagues in all of higher education for guidance and for support in our continuing and, I hope, increasingly fruitful efforts to stimulate and help achieve the reform and development of all postsecondary education. I will continue to read your publications faithfully and seek out and listen to your counsel carefully. For your understanding and your wisdom are essential to building an alliance between higher education and the people of this country that will be ever more cordial, ever more cooperative, and ever more productive for the individuals engaged and the society served.

I was moved by the very thoughtful prayer that Bishop Wesley Ward offered at the opening of this program, and I therefore return to paraphrase a message from that prayer: "Education, whether higher or lower, falls short of our aspirations for ourselves in pursuing the highest educational ideal -- reverence for life." The Office of Education takes this admonition seriously,
and will say to you, as I have said to our staff in Washington a number of times, that our role first is one of compassion and humaneness in all of the work we do, for indeed we are engaged in the final analysis with the lives of young people everywhere. And so may it be in all the circumstances in which this Office serves you as you continue to seek the right ways for the institutions of higher education in America.

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