

## Proposal for a comprehensive national scholarship program

Any scheme of comprehensive federal assistance to institutions of higher learning is bound to evoke reasonable fears of central domination of educational policy. The private institutions understandably will be particularly reluctant to have to justify their programs to central state or federal authorities as a basis of allocation of funds; on the other hand the financial straits of all our universities, the support of which is too often thought of as philanthropy rather than investment, are tied up with the ambiguous incentives to our gifted youth to make their own investment in higher education.

The national stake in higher education is too vital for us to contemplate putting it on the market in a traditional sense—we cannot now afford to limit it to students who have private means to pay, but one way or another it must become economically self-sustaining if the colleges and universities are to achieve the health and self-reliance that mark other aspects of our free-enterprise culture. A comprehensive scholarship program can be devised that would, at the same time, ensure that our most gifted students will be unimpeded in the pursuit of scholarship and reward and sustain our universities fairly, with a minimum of bureaucratic interference. This program has had a successful precedent in the postwar G. I. Bill of rights, and is paralleled to some extent in the fellowship programs of pending bills and those now operative by the National Institutes of Health and National Science Foundation. What is perhaps new in this proposal is that the fellowship-scholarship program can be used to administer federal support to the institutions as well as to the scholars in the most effective way.

The basic features of the program would be: (1) a national (or multi-state) scholarship examination; (2) stipends to the highest scoring students sufficient for minimum needs in college (3) an award, to the institution of each student's choice, sufficient to cover the actual cost of his education, including liberal provisions for renewal and maintenance of facilities and expansion; (4) loan funds to cover unusual personal requirements, e.g., family obligations.

Minor adjustments can be made through formulae of allocation of numbers of scholarships among the states. A liberal minimum should be established for item (3), and the award might indeed be fixed at a uniform high level. In this way, outstanding achievement by a school would be recognized by the interest of superior students in attending it. The diverse values of different kinds of institutions would be recognized by the free choices of the potential students. In general, the program would establish an effective market (in a technical economic sense) in which the consumers in whom the nation has the greatest stake would be given the means to effect the national investment.

2. Need. The criterion of family income is often an unrealistic measure of individual need, especially in advanced education. Since we still do not have a deep-seated national respect for learning, many families may be reluctant, even hostile to supporting their children in scholarly studies, regardless of their apparent means. A means test carries an implication of charity rather than national investment, which is in any case likely to be repaid as taxes returned on augmented income, as well as the now recognized social values of scholarly and professional vocations. The administrative machinery needed to attempt a fair administration of a means test is already a fair argument against it. Finally, the progressive income tax is the fairest, most versatile and a sufficient tool for allocating the burdens of national activity on the basis of ability to pay: why should the already tax-ridden middle class be specifically discriminated against in a national program of investment in higher education.