

SENSE OF UNCERTAINTY PREVAILS OVER LOANS, AS REPUBLICANS STALL DEBATE



Senate Republicans blocked a Democratic bill Tuesday that would have kept interest rates of college students' loans at existing levels of 3.4 percent, preventing them from automatically doubling on July 1. The Senate failed to reach the 60 votes needed to begin debate on the bill. The 52-45 vote fell 8 votes short of the requirement. Both parties understand the importance of the bill and a compromise is expected, sooner rather than later. Until then both are expected to gain brownie shots, blaming each other for the deadlock, saying things that are campaign-friendly, even as both together search for avenues that can cover the \$6 billion cost. The vote was expected as the Republicans had indicated they would employ stalling tactics, to ensure that the bill faced hitches until it was clear how the costs would be met. The Democrats are suggesting that the cost could be covered by raising Social Security and Medical payroll taxes on the rich whereas the Republicans believe that it should come from vetoing a preventive health fund. Senate Majority Leader Harry Reid, D-Nev., said that the GOP claims of supporting an increase did not reflect in their voting, "Republicans showed today that it's only talk," he said. It has given the Democrats another opportunity to reiterate their charges that the Republicans are favouring the wealthy over the middle-class. Sen. Tom Harkin (D-Iowa) alleged that the Republicans were "afraid" to allow the debate to proceed, as they would, then, have to make a choice between shielding the rich and assisting the college students. "Some of my friends on the other side of the aisle maybe will think that students are more important than a few wealthy people in this country not paying their fair share of taxes. That's what this vote is ... Republicans don't even want to proceed to go there." The eventual goal of the GOP, is "to kill the preventive health fund," he added. Sen. Lamar Alexander (R-Tenn.) said that Democrats have no room to talk, since they had agreed to pull \$5 billion from the fund, in February to pay for payroll tax cut extension. "Let's be clear about this," he said, it's not just Republicans who think that fund isn't the best use of taxpayer's money. "So it's a bipartisan proposal." "We agree with President Obama, we agree with Gov. Romney, we agree with the House of Representatives that it should stay at 3.4 percent," he said. "The only difference is how we pay for it. They want to raise taxes on people who are creating jobs, while we're still in the midst of the greatest recession since the Great Depression." For the moment both the parties, are giving campaigning-politics priority over doing the right thing and their rhetoric, the Democrats proposing grabbing money from the rich and the Republicans nixing a healthcare plan, are things that appeal to their core supporters. Senate Minority Leader Mitch McConnell said, "The Senate has ceased to be a place where problems are resolved. It's become instead a place where Democrats produce campaign material." However, with no chance of the bill going through without the Republicans assent, Democrats may have to reconsider their stance of taxing the wealthy to offset costs and find new ways that are acceptable to the Republicans. White House Press Secretary Jay Carney called it "extremely disappointing" that Republicans blocked the bill and issued a statement saying, "We're pleased that despite failing to address it in their budget, Republicans in Congress now profess to be concerned about this coming rate hike," Carney said in a statement. "But now it's time for them to stop re-fighting old political battles and prove they're serious by proposing a real solution to keep rates low for students without burdening middle class families or undercutting preventive health care for women." Neither the Republicans, nor the Democrats would risk allowing the rates to double in the middle of a presidential and congressional campaign. Each is waiting for the other to make the first move. _