you actually disbursed since the first of September until the 30th of September? What will you disburse in the next fiscal period?"

We can tell them this without having to identify them by freshman, sophomore, male, female breakdown on the award.

Mr. MORRISEY. They want us to tell them how much money we are going to spend per month under the Work-Study program and the month of August broken down.

Why would it make any difference on the number of students working in two parts of the months? This gets to be nonsense.

Mr. GIBBONS. Why don't you send us some of these requests for information that you feel should be eliminated from the reports.

Mr. KATES. If I might comment on the Guaranteed Loan Program. With the original design of the program to aid middle and upper income family students we are completely agreed. As the program breaks down, as a substitute for National Defense or major supplement to National Defense it does not work because the banks are not interested in the very students who need the money most. The banks are naturally gravitating toward the upper income family students.

Mr. GIBBONS. We really meant the Guaranteed Loan Program to go up and take some of the heat off some of the people with larger incomes, and we set a $15,000 ceiling on the family income because we didn't want people taking these funds and investing them in the stock market or something like that. We figured we would keep it down reasonably.

Mr. KATES. This is a perfectly reasonable limit. It is a perfectly fine program as long as we don't get the idea that the banking community will now extend this to provide the funds for the total student loan programs that are required. The presidents of the banking associations may indicate that their member associations will cooperate, but like anything else, it depends on persuasion. When you get down to the operating level and the hard cash of how much the banks can commit, they just can not get involved in an extensive program of that nature.

It is unfortunate because the people who suffer are the students who are caught in the middle, unable to get funds at the college, given a razzle-dazzle and showing a display of footwork that would amaze even someone like good old Cassius here by banks who don't want to touch the program with a 10-foot pole. We have a letter of introduction that the students use to try to get the banks to tell us why they won't participate, simply so that we can go back to our own bank and say, "Here is a student who has tried and has been refused." Our bank has agreed to pick these up and go beyond the normal bank accounting, but now the banks are shuffling the student and saying, "Don't talk to us at all."

Mr. GIBBONS. The banks are getting 8 percent on pretty good commercial loans where they used to get 4 percent.

Mr. JONES. The pressure on us comes in part from getting less in the way of National Defense Funds than we need. This forces us to look hard at GILP as a way of supplementing or using our own institutional loan funds in ways that are in a sense dangerous for their own future. We are diverting what investments we may have in cash and lending it out and taking 1 or 2 percent interest income rather than a 6 or 8 percent.