

Mr. HOWE. I think there is rationale in having the forgiveness feature related to the people from the lowest income group.

Mrs. GREEN. Shouldn't we change the basic philosophy of forgiveness? Is it for the people who come from lowest income groups going into teaching?

Mr. HOWE. That seems a supporting argument for it. The guaranteed-loan program is going to focus mainly on people above the \$6,000 level which you suggest and it seems to me that argument would not operate as much for them.

Mr. QUIE. Why is it necessary to encourage people from the low-income families to go into teaching and not encourage people from higher income or middle income? Do the low-income people make better teachers?

Mr. HOWE. I don't think that is necessarily true. I think actually this argument about the income level being related to the forgiveness feature is a minor matter compared to what was really the intent of Congress in putting this feature in, as I understand it, actually encouraging the supply of teachers.

I will tell you, as I did a moment ago, we are puzzled somewhat about the effects of this program on the manpower thing. It is a difficult thing to find out about. There are so many different elements that enter into the individual's decision, to go into teaching or not to go into teaching, that to isolate the effect of a feature of this kind is really a complex exercise if it is possible at all.

I think we ought to try to get more definite information for you than we have on it. As of now, we are operating on what is not a bad assumption, the assumption originally put in: it must have some effect on people entering into the teaching profession.

Rationally, you would think this would happen.

Mrs. GREEN. What would your reaction be if this committee dropped the forgiveness feature from NDEA loans?

Mr. HOWE. Well, I would like to review entirely what we can find out about it before I give you a definitive answer on that. We will be happy to review our experience, look at the problems that we see in a low-paid profession, perhaps developing a higher percentage than it should of defaulting of loans. I think there is a practical problem relating to the loan default picture if you were to make this change now that teachers have come to expect this to be part of the picture and you might encounter a problem of default.

Mr. QUIE. You know we are encountering a problem of default now where many students feel if they wait long enough, they will have the loan forgiven. They feel that the Congress will change the law, and the constant change of the law seems to be bringing this about. Maybe there will be less problem if their loans were not forgiven.

Mr. HOWE. I should say I think the problem of a person again in a very low-paid profession in repaying the loan is a special problem. It seems to me that in all likelihood, particularly against the background that they have been forgiven up to now, such a change might run into difficulties.

There is, as you say, clearly a percentage problem of loan default. Mr. Muirhead can probably tell us something about the history of it if you wish to go into it. We are working constantly however on it