upon it the kinds of problems you already mentioned. I will mention one more, I don't think the guaranteed loan program will have as direct and immediate effect, an immediate effect on the raising of college tuition, particularly private college tuitions, as the suggested income tax credit program will have.

I think that would have a very rapid effect particularly in private institutions and also make some problems for public institutions by placing them in the difficult position of wanting to continue their usual policy of keeping tuition low but wanting to gain the additional income which is available to private institutions by raising their tuitions.

That is, I think this will come about through the income tax credit feature. So it seems there are a number of problems connected with it that need to be carefully examined.

Mr. MUIRHEAD. I wonder if I might, Mr. Brademas, extend this just a moment, the long-range projections for the guaranteed loan program, because I think that they are quite tremendous. The program, as it now stands, that the Commissioner has reported, will be supporting over 400,000 students at the end of this college year and using a very conservative projection, we expect that the program will be supporting by 1973 more than 2 million students.

I think you have to put this into comparison with the NDEA as it now stands. Of course, that is a very conservative projection, because as the Commissioner pointed out yesterday, the number of students who might be eligible for loans under the guaranteed loan program comes to about 90 percent of the college population.

That is if we use the present income pattern that is in the guaranteed loan program.

Mr. QUIE. You can do even better with a tax credit, you could get 4 million in 1 year taking part. That would be a great record.

Mr. MUIRHEAD. When you compare that with the tax credit you must compare it with the amount of assistance that will be provided in the program which will be rather significant.

Using the figures I have just suggested of about a little over 2 million in 1973, the guaranteed loan program will be providing assistance through interest payments to 2,300,000 students, for a total of about $400 million.

That is significant assistance to middle-income families. It goes, of course, directly to the student.

Mr. BRADEMAS. I take it, Mr. Muirhead, that you are saying that the sky looks a little brighter, the prospects better for the second year of the program?

Mr. MUIRHEAD. Yes, Mr. Brademas, I think that is exactly what I am saying. If I may repeat what I said yesterday, the program could not have been started at a more inopportune time with the interest rate being what it was, but we are getting cooperation from the banks and, as the Commissioner has indicated, we are reexamining the program to find ways in which it can move along more vigorously than it has moved along.

Mr. QUIE. Does the $400 million now account for the interest that you pay while the student is in college, in the military, in the Peace Corps and if the family income is less than 15,000 the amount of interest that the bank collects over 3 percent. Is that right?