

tion, not in terms really of helping students, but of capturing revenue by increasing fees without having it fall on the parent.

I might say this is not strictly a public and private college controversy; there are a number of public institutions which support the tax credit concept. I believe Senator Prouty's advocacy of this reflects the fact the University of Vermont has to charge the highest fee of any public education institution in the country and yet in that State the resources of parents and students are not great.

Our position has been a rather weak one, I have to confess.

Mr. CAREY. Will the Congressman yield?

Mr. BRADEMAs. Yes.

Mr. MORSE. Simply stated we believe strongly in direct aid to students, the kind of aid programs this committee has sponsored in the past, and we believe that general support for all segments of higher education, public and private, through direct appropriation is better than the indirect route through tax credits.

Mr. BRADEMAs. I have one final question, this is a general question. Looking down the road into the future, what do you see as the greatest need of American higher education?

Dr. GROSS. There are many: a great increase in population will be on us; we need aid for capital facilities; fellowship and scholarship aids across the board.

I think the greatest problem is trying to work out ways with the elementary and secondary schools to make it more possible for people from the disadvantaged areas to get the proper education and be drawn into the strong colleges. I think that is our greatest problem and a great social need.

Mr. BRADEMAs. Thank you.

Mrs. GREEN. Congressman Reid.

Mr. REID. We have much appreciation for your thoughtful testimony, Mr. Gross and I appreciate the opportunity of asking one or two questions.

First, to pursue the tax credit a little further; in the event, due to the war in Vietnam and lack of fiscal action in Washington, we return to a high interest rate in the economy and to the extent the existing guaranteed loan program does not meet some aspects of the need of middle income families, particularly, between \$15,000 and \$20,000, where the need may be just as great but not necessarily covered by State action, do you favor consideration of some tax credit or tax reduction approach to assist the middle income family that I think frequently is caught in the squeeze?

Dr. GROSS. This is a real problem I don't want to see it dismissed in a light way. I think the picture you have drawn of what is happening to the economy is right. You have to realize the costs will go up for colleges, and those colleges depending on tuition to a very large degree will have to raise their tuition unless they get relief from some other source, so the relief to the parent or student will quickly disappear.

This will then result in giving funds to colleges that they have to have. The thing that is distressing is the way the costs are going up in all colleges. In some States we keep tuition constant but other bills are going up; housing and food is going up drastically.