

Dr. GROSS. I believe so.

Mr. CAREY. Have you had any experience in hardship conditions among those students who apply for loans but whose families are in that borderline area where, supposedly, on some standard or guideline set up by loan analysis organizations, the family does not again fall within the need category and therefore, the student loan application is denied.

Is there any sizable number of students who cannot attend once that loan application is denied for failure to fall within the category of need in the loan program?

Dr. GROSS. I think many colleges will try to make this up some way with a pattern of college grants or something like that so the student who is qualified will be able to make his way.

I have to admit that the number of people we don't know about are those that don't come.

Mr. CAREY. Madam Chairman, I have a great concern in this field because of the rigid standards becoming more national in scope as to who can get a loan and who cannot. There are a vast number of low-income or middle-income families educating children, two or three at a time, and I feel sometimes that when they cannot get a loan at one of the four institutions they return to the family and say they can't get the loan, I think then they opt to the junior college or other institutes.

I think we are passing the burden to those colleges. These students can pass on their academic standards but can't fit within the confines, the confining sections of the guaranteed student loan program and I feel we are missing a great many students who should attend 4-year institutions but can't because on a basis of analysis of the family income they do not seem to qualify for the student loan program.

On the precise point of the tax credit, is it not true that we have two movements going on in American higher education? Strong voices, I think, with weighty arguments are saying that some day all higher education should be a matter of free tuition and these voices are heard in the land, less and less on the western slope of the Rockies.

Over there the institutions are moving in a different direction, tuition costs of some nature.

Now is it not true if the latter group succeeds in imposing tuition costs, even minimal in nature, there will even then be much stronger support among parents and the public to support a tax deduction, not just those having children attending private colleges, but all those faced with paying some form of tuition, they will be expected to support tax cut proposals. Isn't that true?

Dr. GROSS. There are two trends, one to put up tuition and one to maintain it at the New York City level of zero. Both are going on at the present moment. I don't know what is going to come out of this.

In New Jersey we have a high tuition rate; we are second or third of all the States. There has been no discussion recently on raising the tuition. Our tuition is \$400 a year. As a matter of fact, this year there was discussion for the first time in years of lowering it or cutting it to zero.

I don't know what is going to come out of it.

At the present moment it seems the program of aid to colleges meets this thing head on whereas in this tax-credit scheme, you don't know