The Federal Government should not be expected to do both for college students of a State. This approach would be much more equitable for all States and would reduce Federal expenditures for this program.

A fourth alternative might be to authorize additional Federal advance funds for the next 2 fiscal years to those States which have not as yet established State-supported guarantee programs, and couple this authorization with a matching fund program—at such ratio as the Congress might determine to be equitable—for those States which have operative loan guarantee programs.

The 2-year extension of the "advance fund" program would carry States without a program through the next general State legislative year in 1969, thus giving these States an additional period within which to act.

The matching fund program would serve as a very tangible inducement for these States to move enactment of a reserve program in 1969, and would likewise encourage those States that have already acted to continue the operation and further funding of their guarantee programs.

Then, as I mentioned earlier, this program is still young with little more than 6 months experience behind it. We feel that the results to date merit this extension of the advance concept so the program can be given a valid test.

In the ABA educational booklet, which I noted a moment ago, which we published and distributed last summer, we stated that the goal of the American Bankers Association was 100-percent participation in student loans by the Nation's commercial banks.

We have not changed that goal. Records in the Office of Education indicate that to date over 8,000 of the 13,000-odd commercial banks in the country have participated in the program. Others are becoming involved almost daily.

It is also encouraging to note that other types of financial institutions are signing up to participate in this program. Our conclusion has been that the more participants we have the more even the load will be shared.

But, even more importantly, the more participants there are the easier it will be for students to obtain the funds they need to finance a college education.

We are convinced that once the rate on these loans is returned to a break-even proposition and once the paperwork is streamlined we can, through continued hard work, gain the support of almost every lender in the land.

Of all the schemes and proposals to finance higher education that have been advanced in Congress in recent years, the guaranteed student loan approach seems to us to be by far the most appealing.

It gives the Government the greatest amount of leverage for the least amount of money. It encourages the cooperation of Federal and State Governments, private guarantee agencies, colleges, and universities, and the Nation's lenders.

Moreover, it attempts to have each section do what it does best. I hope we can eliminate some of the obstacles now in the program so it can function more smoothly and reach its full potential—that is, to make sure that no qualified student is denied a college education because he lacks the marginal funds necessary to finance this education.