particular category of people. This would include Veterans, War Orphans, American Indians, MDTA, Social Security, Student Dependent Survivors, etc. But, the very heart of student financial aid in cases of "need" is the NDEA Student Loan Program. The only basis which excludes needy students in accredited proprietary schools from the Title II student loans of the NDEA is the proprietary corporate form of the accredited educational institution.

A Stanford Research Institute study[2] under contract from the U.S. Office of Education has pointed out graphically that:

"Many young high school graduates—more has generally been suspected—pass up low-cost public education to go to proprietary schools."[3]

The USOE sponsored Stanford study has shown that even in the face of public education, at no cost to the student, some students find that proprietary schools are better able to offer them an educational program to prepare them for employment. We don't say all students but only some.

The requirement of NDEA Sec. 103(b)(4), that the institution be public or private nonprofit is the barrier to student aid. This same requirement for purposes of grants and subsidies to institutions for bricks and mortar may be a valid expression of present public policy. But we are talking about student aid and not institutional aid.

Therefore, we respectfully request the repeal of Sec. 103(b)(4) of the Title II NDEA Student Loan Program. This can be accomplished by the following language:

To amend NDEA title II student loans

Sec. — The second sentence of section 103(b) of the National Defense Education Act of 1958 is amended by striking out "(4),".

This is exactly the same type of amendment which has been proposed in the Work-Study Amendment of Sec. 435 of the bill now before the Subcommittee (H.R. 6232).

VOCATIONAL LOAN PROGRAM DOES NOT MEET THE NEED

All discussion both from the Congress and from the Administration have clearly identified the insured loan program as being specifically designed for assistance to the middle class income group. But the fact is that most students enrolled in proprietary business, trade and technical schools come from lower-income families.

Dr. Kenneth B. Hoyt, immediate Past-President of the American Personnel and Guidance Association has studied thousands of these students and has stated:[4]

"I have collected the research data personally and so have had extensive opportunities to both observe and visit personally with these students. Our data show that most of them—both from the trade-technical and the business schools—come from families of a lower-income socioenomic (sic) background."

The guaranteed loan program, which is admittedly designed for middle income students, somehow turns into a panacea when the discussion involves vocational students who preponderantly come from lower-income families;

Possibly by now the USOE has clarified its statement of last week to this Subcommittee that under the Guaranteed Loan Program $400,000,000 of loans have been made to 460,000 students. These figures relate solely to the insured loan program of Title IV–B of the Higher Education Act. The Student Financial Aid Division of USOE, as of last week, has been unable to supply us with any figures as to the number of students or the number of dollars loaned under the vocational loan program. They were clear on one point however. Neither the $400,000,000 nor the 460,000 students includes any vocational students.

Possibly by now the USOE has clarified its statement of last week to this Subcommittee that there are in operation now 50 state agencies to operate the Guaranteed Loan Program. The Student Financial Aid Division of USOE, as

[2] Final Report, Contract No. OE–5–85–068, "Supply and Demand Factors Affecting Vocation Education Planning," A Methodological Study in Santa Clara County, California, October 1966, U.S. Department of Health, Education and Welfare, Office of Education, Bureau of Research, Stanford Research Institute, Menlo Park, California.

[3] "American Education," published by Department of Health, Education, and Welfare, U.S. Office of Education, Vol. 3, No. 4, April 1967, back cover.

[4] Statement by Dr. Kenneth B. Hoyt, University of Iowa. Hearings before the Subcommittee on Education of the Committee on Labor and Public Welfare, United States Senate, (89th Congress, First Session), Higher Education Act of 1965, p. 1083.