

At least they expect Congress to authorize it in this case. I hope that Congress makes a good, close, hard study and makes sure we are helping the students and not necessarily just helping the banks.

Using the figures obtained in the study, the ABA representatives told this subcommittee that under the present rate structure of the student guarantee loan program, a bank would lose \$71.50 on a \$750 student loan if the loan repayments began a year after graduation and the full loan was repaid in 2 years thereafter.

In working out these figures, the American Bankers Association determined that it cost \$35 to put each student loan on the bank's books. The \$35 acquisition cost, it was determined, was the reason that the loans were not profitable.

Have you seen any letters from bankers saying that? I haven't. I put in a statement I made on the floor of the House that the bankers are on a strike against these student loans, that they don't want to make them.

I got all kinds of reaction from that, adverse reaction, saying "who told you that the banks wouldn't make these loans."

One fellow canvassed the banks in Dallas, Tex., and said, "We are unable to find a single bank or anybody who has denied a student loan here. That is a mistake."

The banks are willing to make these loans at 6 percent. Now you don't have any evidence here to contradict that except just the bankers' lobby. Now these lobbyists are the finest and best people in the world or they would not have these jobs, certainly not the top lobbyists in Washington, the bankers' lobby, unless they were agreeable, all affable type people, and nice in every way. They are nice people. They are earning money just like the rest of us.

If they can do a better job of course, it makes their organization look better and I think you will find them always trying to do that job, unsolicited. I think this is an unsolicited job from the bankers lobby. I think it is concocted by them, it is put forward by them. I don't think the bankers are urging this at all.

From the reaction I got that seems to be true.

The American Bankers Association has not indicated what went in to make up the \$35 acquisition cost, nor has it discussed the method that was used to determine the figure.

Since all of the examples cited to this subcommittee by the ABA last year were based on the \$35 cost, it seems strange that a complete breakdown of the \$35 figure was not presented with the ABA's testimony.

It would appear then that the \$35 amount is merely an arbitrary figure selected by the ABA lobby as a desirable profit level. This juggling of facts and figures reminds me of the story of the dispute between the United States and Russia over which country had the fastest racing car.

Each country claimed that its car was the fastest. After many months of arguing, a race was set up to decide the issue. The American car easily defeated the Russian racer, and the next day the Russian newspapers told the story of the race with this headline: "Russians Second in Great Auto Race; Americans Finish Next to Last."

The amendments to H.R. 6232 provide that financial institutions making students loans under the Higher Education Act of 1966, would