

be allowed to charge interest up to 6 percent a year on their loans. In addition, lenders would be permitted a \$35 "processing fee" for each loan made, plus an additional \$35 to consolidate the loans at the end of the student's college career.

I fully realize that the \$35 figure is merely a ceiling and that Secretary Barr stated yesterday that the first payments would only be in the amount of \$25 per loan.

However, since the law would allow up to \$35, we have no assurance that the full amount will not be paid to the banks for each loan. Mr. Barr stated that the committee need not have any worry that banks would be overly enriched, since the General Accounting Office would be overseeing the program and would prevent any such windfalls.

It must be remembered that the Treasury Department, in general, and Mr. Barr, in particular, have rejected General Accounting Office supervision in the past. And remember this, Madam Chairman and members of the committee, the General Accounting Office audits all agencies except a few important ones.

They do not audit the Federal Reserve System. That is a self-audit by their own people only. We have never had a General Accounting Office in the Federal Reserve System. We don't have a General Accounting Office audit of the Comptroller of the Currency. And the FDIC is supposed to be audited by the General Accounts Office but they won't furnish the information, they have declined to furnish adequate information.

Now that is no compliment to Congress, it is no compliment to me or any other Member of Congress who permits that without objection because that is a terrible thing.

The people who are supervising the monetary affairs of our country are not even audited by the General Accounting Office. They only have a self-audit.

On a number of occasions, the General Accounting Office has recommended to Treasury that it alter its practice of placing Government funds in banks without any reimbursement from the banks. Year after year, Treasury has ignored the advice of General Accounting Office, even though the practice is costing the taxpayers millions of dollars a year.

Four percent on \$5 billion would be \$200 million a year loss right there, year after year, year after year. I will go into this subject further later in my statement.

And Mr. Barr, who suddenly envisions the General Accounting Office as the watchdog of the student loan program, in the past has virtually told the GAO to mind its own business.

The General Accounting Office is charged by Congress with overseeing a number of Government agencies, including the Federal Deposit Insurance Corporation. Yet, when Mr. Barr was chairman of the FDIC, he refused to allow the GAO full access to the corporation's records.

His position was made clear on February 2, 1965, in a letter to then Comptroller General Joseph Campbell. Now, less than 3 years later, Mr. Barr tells your subcommittee to go along with this program because Treasury will be guided by the General Accounting Office recommendations.