

Where are you going to get your tax money, if that is legal? Certainly you should not pick out just a few families and allow them to do it. You should let everybody do it, if you are going to let one do it.

Mr. GIBBONS. I assume you think we ought to make some changes on the way we debate tax bills on the floor of the House of Representatives, and not have them on a take-it-or-leave-it basis under a closed rule.

Mr. PATMAN. Gag rule?

Mr. GIBBONS. Yes, sir.

Mr. PATMAN. I am against gag rules. Now and then you have to take something that you don't like in order to keep from taking something worse.

Mr. GIBBONS. You would advocate an open rule on tax debates?

Mr. PATMAN. I would. That is where the loopholes are made; and they are terrible, they are terrible. It is a disgrace. It is no compliment to Congress.

Mrs. GREEN. Congressman Patman, has anybody on your staff made any comparison between the Ribicoff program for college expense deductions and our present guaranteed loan program?

Mr. PATMAN. We will have it done, if you want it done.

Mrs. GREEN. Would you do it?

Mr. PATMAN. We will be glad to do it.

(Analysis follows:)

ANALYSIS OF S. 335, AND ITS IMPACT ON STUDENT COLLEGE LOANS

S. 835, introduced on February 6, 1967 by Senator Ribicoff and a number of other Senators, would provide a tax credit for payments made on educational expenses above the 12th grade.

The tax credit would work on a sliding scale, with a maximum of \$325 deduction for any one student.

It is estimated that under Senator Ribicoff's plan that during fiscal year 1970, the U.S. Treasury could lose \$1.5 billion in tax payments.

Not only would the Treasury lose the tax payments, but the bill would have little effect on those who are in the greatest financial need, the low income bracket, but would provide the greatest amount of help for those in the middle to higher income brackets.

The bill would provide no benefit for those at the poverty level, since it merely provides a maximum tax credit of \$325 to be deducted from the regular tax payment. Thus, a poverty level family would not have a tax liability at the most of more than a few dollars a year.

Provisions are made in the bill to allow tax deductions for anyone who pays the educational expenses for another person. This is planned to encourage those with greater income to provide scholarship help for the very poor. In view of the restrictions in the bill placed on those with the highest incomes, it would seem unlikely that they would provide help, since the bill offers them no benefits. The family that would gain tax assistance by helping others, the middle income group, would most probably not have enough funds to assist poor students.

In light of this and the huge amount of money that would be lost to the Treasury, it would appear that a guaranteed loan program and a direct government aid program, including a variable pay-off rate according to income earned, are alternatives preferable to Senator Ribicoff's bill.

Mrs. GREEN. I have asked HEW for a comparison between what it would cost the United States at the end of 15 years to have an NDEA student loan program for 500,000 students borrowing a thousand dollars a year and the cost for 500,000 students borrowing the same amount under the guaranteed student loan program. Could we have an analysis of this from your viewpoint?