

Mr. MARIN. Well, I think he does not know the interest rate. That is the main thing. I think, for instance, the ultimate passage of the Proxmire bill will assist in bringing the facts of life on interest to more and more people. Right now you have people paying fantastic rates and not even aware of the fact they are paying them. Everybody thinks they borrow at 6 percent.

Mr. GURNEY. The reason I ask the question is that some Members of Congress have the idea there should be no profit made at all in the field of education or lending, and that the Government ought to subsidize the whole thing. What I guess I am really asking is whether you, as an educator, see anything wrong with making a reasonable going rate of return or interest on money loaned for the purpose of education.

Mr. MARIN. No; I don't really. This gives me an opportunity to make a brief speech.

Mr. GURNEY. Go ahead.

Mr. MARIN. As a representative of a private institution, it seems to me that the ultimate best plan for society would be to have every financial or every educational institution charge the full cost of the education, including our State colleges and universities, and then have either the State government pay for most of these costs now or the Federal Government provide free loans, but with the obligation of a medical student, say, who goes to a university and gets a subsidized education to the extent of \$1,500 or \$1,800 a year out of the general fund of that State while he pays \$200 tuition, or in California he pays no tuition, charge him the full cost of the education. Make him an interest-free loan, but with the full obligation to repay.

Then, when this man 5 or 6 years later comes out with an M.D. degree, which is worth maybe \$300,000 or \$400,000, it has not been given to him by some charwoman scrubbing floors and paying a sales tax on her grocery purchases; it has been given to him by an interest-free loan and he has an obligation to repay every penny of it, which he can well afford to do.

This is one of these things where we are starting from scratch and opening a Pandora box there, but it seems to me this has to be ultimately a State program and I know that once you do that you will get some very bad programs or some nonprograms. That is why, perhaps, I tend to feel ultimately as a coordinating influence that the role of the Federal Government is where it belongs. But I think you have a political bombshell if you say that out loud.

Mr. GURNEY. Of course there are large money requirements and economics involved in that.

Mr. MARIN. A very large revolving fund. This gets back to madam chairman's question about a larger NDEA. I know this is a real problem this year.

Mr. GURNEY. If you did this with money it could be a pretty good scheme—let me point this out—because of the large money requirement programs like this inject into the field for financing thousands and thousands and thousands of institutions with money, and also available personnel skilled in the ways of making loans. So that you just broaden your whole field and ability to handle this sort of thing. Isn't that the other side of the coin?

Mr. MARIN. I am sure it is.