

acceptable for the NDEA loan program. Our concern is kids who need money, and there is not going to be enough in the NDEA program.

Mr. BRADEMAs. Just one more observation and question. That is my last one, Madam Chairman.

Following what I think my colleague from Michigan, Mr. Esch, was observing, I raise the question of another alternative; namely, the tuition credit-tax deduction idea. As I understand it, one of the principal justifications that the administration would use, did indeed use, in urging us to adopt the guaranteed loan program was to get more private money into the student financial assistance process so as to diminish the impact of direct drains of the Federal Treasury.

Now considering alternative way of providing student financial assistance, could one not say that the same problem would arise if you turn to the tuition tax credit proposal; namely, that you again would have a direct drain on the Federal Treasury? I state my point rhetorically, without taking a position on it either way, to induce you to comment.

Mr. MORSE. The bill that has received the most attention on the other side of the Hill to provide tax credits would, according to Treasury estimates, cost about a billion and a quarter dollars the first year it was in operation, and it would provide very little relief for any individual and provide the most relief for the taxpayers in the higher tax bracket.

So that seems an enormously expensive way to provide probably inadequate help to the families who need it, as opposed to the loan program.

Mr. BRADEMAs. Thank you. Your testimony has been very helpful. In summary, from my own point of view it seems to me we need a lot more facts on the guaranteed loan program and what the right fee is, given a particular time of the year in X State as distinguished from Y State, and given X-size bank as distinguished from Y-size bank. I think a lot of our problems here are not so much ideological as just practical.

Mr. MORSE. Yes. One problem I think is that although the officials of the American Bankers Association can assure wholehearted support and cooperation and participation, the officials of the association can't make a loan. So it eventually boils down to the willingness of banks and other lending agencies in given States to participate. We hope that by having the pot sweetened a bit more financial institutions will come in.

Mr. BRADEMAs. I will follow that with one more statement. I am not persuaded as to the integrity of the position of ABA. I am not at all persuaded that they are trying to delude us. I would be much more persuaded as to the depth of their support of this program if, assuming we adopted the amendments or some like that, the ABA undertook in every State in the country and major population centers a really aggressive campaign to give leadership to the banking community to get into this program.

Thank you very much.

Mrs. GREEN. Congressman Gibbons?

Mr. GIBBONS. Mr. Morse, instead of letting this program die on the vine, perhaps we should come up with some new techniques for doing this. I have been thinking of one as I listened to your testimony here. I like your suggestions about there being some kind of needs require-