

in aviation as a pilot therefore has limited means, if otherwise deprived of personal funds, for reaching his goal. The administration's proposal would broaden the availability of financial assistance for those citizens desiring to pursue a career in aviation by providing guaranteed loans in amounts appropriate to cost of training.

The provisions for a loan to a maximum of \$7,500 per student would provide all the training required in qualifying for a commercial pilot certificate for use in both general aviation and air carrier fields. The following relate to the high cost of flight training:

- for commercial*, 160 hours at \$25 an hour, for a total of \$4,000;
- for flight instructor*, (after attaining commercial) 30 hours at \$25 per hour, for a total of \$750;
- for instrument rating*, (in addition to the commercial) 40 hours at \$25 per hour, for a total of \$1,000.

It should be noted that a commercial pilot certificate is the minimum requirement for a person to be eligible to pilot an aircraft for hire. The flight instructor certificate is another privilege for which the pilot may receive remuneration and is required by FAA regulations by the pilot performing in this work area. The instrument rating further enhances the pilot's ability to be financially rewarded and along with a commercial certificate is essential for airline employment in a pilot capacity.

The above figures include the aircraft, the flight instructor, ground school and study materials.

For these reasons the Department of Transportation supports the administration's proposal as being a positive benefit to the aviation community.

We shall be pleased to provide your Committee with additional information on this subject.

The Bureau of the Budget advises that from the standpoint of the Administration's program there is no objection to the submission of this report for the consideration of the Committee.

Sincerely yours,

JOHN L. SWEENEY,
Assistant Secretary for Public Affairs.

AMERICAN FEDERATION OF LABOR AND
CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, D.C., September 7, 1967.

Mrs. EDITH GREEN,
Chairman, Special Subcommittee on Education, House Education and Labor Committee, Rayburn House Office Building, Washington, D.C.

DEAR MRS. GREEN: The AFL-CIO continues to be deeply concerned with the student loan guarantee program as embodied in the Higher Education Act of 1965. Our concern, of course, is not with the objectives of the program, but with the failure of the lending institutions to make adequate funds available to applying students.

When the student loan guarantee program was first suggested, the AFL-CIO urged that sufficient monies be appropriated to permit direct loans by the federal government. Instead, the program was designed to attract the cooperation of the banking industry in the hopes that action by the private sector would make direct federal loans unnecessary.

Following enactment of the Higher Education Act of 1965, the AFL-CIO spelled-out the provisions of the guaranteed loan program in its kit of materials sent to high school students seeking financial aid for higher education. Our Education Department has heard from many of these students who state that while the program may be law, the loans cannot be obtained.

It is the AFL-CIO's understanding that slightly over 357,000 loans were made through June 1967, compared to a projected estimate of 585,000 loans. Based on these figures, less than two-thirds of the program's goal is being reached. We are convinced that the present program is not living up to its promise and requires realistic amendments if it is to be meaningful to our nation's youth.

The AFL-CIO has studied the Administration's recent proposals to improve the program. We view these proposals as, basically, another attempt to obtain increased cooperation from the banks. While the AFL-CIO continues to believe that a direct federal loan approach ultimately will prove necessary, we recognize