

appropriate for us to use the record of other guaranteed loan program agencies such as USAF because there will be different mechanisms for collection in this program.

Mr. ESCH. We do have this experience base that this has been the default rate today. I would like to see the figures.

Mr. HOWE. Not on guaranteed loans.

Mr. ESCH. No; but on comparable situations. Now, I wonder, too, if we could just turn to the vocational educational aspect. It has been indicated that all of the seed money was utilized immediately. Are you recommending a massive new program and a great deal more funding this year to emphasize the need for technical and vocational training? What proportion of seed money will be given to vocational and technical?

Mr. MUIRHEAD. One of the recommendations included in the bill would provide reinsurance, which in effect would broaden the capability of the States to provide guarantees. Another recommendation is to merge the two programs together so that the guarantee fund would be available both to the college-related program and to the postsecondary vocational program.

Mr. ESCH. You are not, really. You are putting in \$12.5 million more of seed money but in effect that is for the total seed money, so what you are doing is not really emphasizing to any extent the extension of vocational loan programs.

Mr. MUIRHEAD. Yes. Well, I think it has to be developed just a little bit, Mr. Congressman. The additional \$12.5 million of seed money is intended to help those States which have no guarantee funds that can be reinsured. The overall effect of the reinsurance will be to make available four times the amount of guarantee funds that are now in place.

Mr. HOWE. For all kinds of loans, vocational included.

Mr. ESCH. I am very much concerned with setting priorities but also not being shortsighted in the priorities we set. I am very much concerned that we have not given any attention or any priority to the vocational and technical training area and I think the proposals that you present have not done this either.

We have done nothing and you have recommended nothing to meet the need in terms of technical training. Surely, if we are talking about giving opportunity to those who need it most, perhaps the best place to look is the technical training area. I yield to my colleague.

Mr. HOWE. Perhaps I should comment briefly on your last remarks and I might make two points. In broad policy concerns, we are introducing a whole new partnership for a learning and earning proposal which will come for hearings of committees here in Congress in mid-February and which will be addressed to a variety of vocational and technical training programs. Secondly, I believe you will find that students engaged in postsecondary vocational and technical education under the proposals suggested in this legislation will have a more flexible and larger volume opportunity for getting loans for that kind of training. I would not entirely agree with your earlier comment.