

people we need to keep our own machinery running. Freedom is fragile if citizens are ignorant. We have to look at the Newarks and Detroit and Cambridges and a few other places to understand the full impact of this.

Then I have the Harris report, dated November 1967, indicating the American people would like to see increased Government spending in aid to schools. Forty-one percent indicate this as the highest priority.

Mr. BARR. That is correct.

Mrs. GREEN. And if we take all of the first, second, and third answers we find that the American people want it by 71 percent, that they would place aid to education in the first three categories. Aid to schools is recommended by 41 percent of the people. Only 5 percent of the American people would like to see increased spending for defense. Three percent want more for highways and 1 percent of the American people would like to see more spending for space.

It seems to me we are setting priorities that the Nation as a whole does not support. I am just wondering as we consider these programs if perhaps this committee ought to take as a major consideration the national priorities and where we are going?

Mr. BARR. Madam Chairman, I am the Undersecretary of the Treasury, and we pay the bills in this country or try to pay the bills as well as we can. I do recognize the squeeze we are in. My jurisdiction does not extend to the whole question of the military, diplomatic, educational, and welfare policies of this country.

The President did ask me to look at this one particular area of student loans. Because I know the squeeze we are in, I spent the time and I have been intrigued with this program, because it did seem possible that in this particular area we could bring some relief and some help to the American people with a marginal cost.

That is frankly my real interest in this area.

Mr. GREEN. Do you agree with the comments made yesterday that if we utilize the guaranteed student loan program the cost for a thousand students over a 10-year period, the actual costs to the Federal Government, would be \$230 million more than if we utilize the National Defense Education Act?

Mr. BARR. Was this my letter to you?

Mrs. GREEN. Yes.

Mr. BARR. You asked about NDEA. I write a lot of letters.

Mrs. GREEN. And I am sure you sign some you don't write.

Mr. BARR. I sign a lot more I don't write. I think I did indicate to you that if we could establish an education bank we could probably do it cheaper in the long run.

Do you have a copy of the letter, Mr. Weiss?

Mr. WEISS. Yes.

Mr. BARR. We did our best to cost out these two alternatives. I stand by that letter. I think it is accurate. We do have some comparable data that is available in the operation of the farm credit agencies, the land banks, the other banks, and they are more comparable to something we had established here. The only thing I said, and I want to repeat this, Madam Chairman, is I just don't know where we would get that kind of money from this Congress or in the budget in the near future—to establish a program that would be lending roughly \$750 million up to a few billions a year to meet the needs I see.