Mr. CAREY. Mr. Secretary, I gather from the speech made by the chairman of the Ways and Means Committee that the matter of tax credit is related only to the whooping crane family right now?

Mr. BARR. Not even that good, I am afraid.

Mr. CAREY. This does not mean that the constituencies have forgotten about it?

Mr. BARR. No.

Mr. CAREY. Especially those paying tuition?

Mr. BARR. No.

Mr. CAREY. Is it not true that the graduating student today who has a student loan when he meets the brainpower of a representative of Dow Chemical, or I wish I could choose a better one, I happen to like Dow Chemical.

Mr. BARR. CIA.

Mr. CAREY. Let's take "CIA."

What would you do without styrene? But when they meet this man who is offering blandishments and inducements for them to come aboard in one of their programs, especially the technical quality student I am told among the inducements are the offer, in the further education of the student, that the corporation will assume the student loan obligation, and somehow arrange for admission of this either through indirect payments to the student or otherwise, are you aware of this?

Mr. BARR. No; I am not, but here again I am not an expert.

Mr. CAREY. When they pay $400,000 to a football player, it is not unthinkable, is it?

Mr. BARR. No.

Mr. CAREY. This becomes, then, a legitimate business deduction for the corporation?

Mr. BARR. Yes.

Mr. CAREY. So the corporation will get tax credit forgiveness but the parent will not?

Mr. BARR. That is correct.

Mr. CAREY. Will you make sure the next time we talk it over with Mr. Mills we make it clear?

Mr. BARR. Yes.

Mr. CAREY. This is the head refugee of the corporation getting this, but the parents do not?

Mr. BARR. On the other hand, if we got any break for education in the tax laws, please don't take it out; I don't care if it is corporations or anything else. My objective is to get as much money in this area as we can.

Mr. CAREY. Is it the policy now and the philosophy of the administration that we should sort of declare that we have reached a high water mark as far as Federal participation in financing education for students that are concerned through the loan method and from here on in we are going to expand through the private sector and that the development will be to more or less put the Government out of the lending business on a gradual phase-out basis?

Mr. BARR. I don't think that is it at all, Mr. Carey. I think there are two problems and I think they are very distinct. I don't think you can ever get the Federal Government out of the problem of making loans