

directly to a lot of the children in the ghettos who are never going to get to a financial institution, not even a credit union. I don't think we can ever drop that responsibility. I think, on the contrary, the Federal effort will have to be expanded and I would hope so.

In the very low income groups that really have been untouched, I would hope and expect that the Federal effort will be expanded in these areas. What we are talking about, Mr. Carey, is moving on up the line to the lower income and middle income groups, and I have stated to the chairman that I think as you look at the priorities it is going to be difficult, as we meet our obligations to people who have to be helped and have no way of helping themselves to give much help to lower income or middle income groups unless we do it in the private sector.

Mr. CAREY. Are you sure the people of Harlem would not rather do business with the Freedom National Bank than a bureaucrat?

Mr. BARR. I put it to the savings banks and some of them might want to, and I hope in time this would be the development. But it seems, Mr. Carey, and I am no expert in poverty or ghettos or anything else, but it seems a lot of the people simply don't know how to go to a bank. They are frightened and won't approach them, and it is going to be literally a job of dragging them in.

I think it is going to be a Federal or Government effort. It is not one I believe we can turn over to the private sector at this point. At some point in time perhaps.

Mr. CAREY. The Commissioner could probably make a comment.

Mr. HOWE. I want to say, Mr. Carey, a major purpose of the new legislation before you is to expand, over the next few years, our efforts in educational opportunity grants and work study grants, primarily for the benefit of the very low income groups, and to build a composite package of student aid which represents direct Federal spending for those groups and loan opportunities for somewhat higher income groups.

Mr. CAREY. Again, but in a major city, in fact I speculate it is true in all of the cities, to make it possible to have a student attend on a financial basis, you know very well large universities are filled to the doors as far as facilities are concerned and as a result they are making seats available on the basis of most qualified and not on a low income group basis and that is where the question is directed as to how much money is going to financial institutions to build institutions and how much on student assistance where you place a burden on the institution to allow the students to enter but you don't help the institutions themselves.

You are putting them in a bind.

Mr. HOWE. Let me say first of all I have to agree with you in the implication there is a maldistribution of higher education facilities in the metropolitan areas. We need to address ourselves to this. You have identified a problem we should have an answer for—not right now, but I hope we have an answer very shortly.

Second, we have addressed ourselves in this legislation before you, not yet formally testified on, to the problems of low-income students in the undergraduate college. We are attempting to start a program to pay undergraduate colleges to make these students successful by pro-