In conclusion: Our associations appreciate greatly the opportunity to present their views before this committee. We also appreciate, more than I can possibly express, the devotion of members of this subcommittee, and of the full committee, to the cause of education, and thus to the greatest of our national interests.

Finally, I want again to emphasize that while our associations support the new initiatives represented in the legislation before you—with the modifications suggested—we believe that first priority must go to the extension and adequate support of existing programs, and that the first priority in major new initiatives should be given to some form of continuing institutional support which will make it possible for our colleges and universities to do the things national policy expects of them, without engaging in the self-defeating process of throwing more and more of the cost of education on the student and his family.

Mrs. GREEN. Thank you very much, Dr. Oswald, for your excellent testimony. It has been most informative and helpful to the committee with your specific suggestions for change.

I am going to turn to the distinguished chairman of the full committee first for questions that he may have. Mr. Perkins.

Chairman PERKINS. I regret that I must leave at 11 o'clock to go before the House Committee on Rules. We have the school lunch amendment up for consideration. I will address my questions to all three gentlemen.

Mrs. GREEN. Please go ahead.

Chairman PERKINS. I take it, that you gentlemen are in favor of the major features of the bill and you are all concerned about improving various programs and you are all supporting the student aid consolidation.

You feel that this will relieve you of much work and improve the administration of the program.

Mr. OSWALD. This will be very, very helpful, sir, in putting these three together and the possibility of a single administration of this and also the opportunity for summary allocation up to this limit that is proposed.

Chairman PERKINS. First, let me state that I agree with Mrs. Green that the educational programs, in general, are not adequately funded, but considering world conditions today, insofar as the Office of Education's recommendations on the guaranteed student loan program is concerned, it has been brought out here that in the long run it will cost more to operate the program through the commercial banks than through the NDEA.

But be that as it may, considering world conditions, do you feel that we should go along with the recommendations of the Office of Education inasmuch as we do have a tight money market and it is most difficult to obtain large appropriations until world conditions improve?

Or do you feel we should go to a national defense student loan and not provide the subsidy to the commercial banks?

Mr. OSWALD. The one specific suggestion on the guaranteed student loan which we feel would not work an undue hardship on the individuals from these middle-income families—you see, at the moment now, the statute allows the Federal Government to pay 3-percent interest for a period as long as 10 years after graduation.