Mr. QUIE. By that request do you mean also the brochure?

Mr. SPALDING. Yes; it is intended as a part of this statement, yes, sir.

Except to say then that I could comment specifically on each of the new programs and comment favorably on them, that is a very quick summary of what we have to present to you. If there is even a moment left, if you have any questions we will be delighted to answer them.

Mrs. GREEN. You have summarized your statement in an efficient and forceful way.

Dr. Spalding, you say you do not favor a needs test for the guaranteed student loan program, but you do favor a greater participation by student financial aid officers.

What would you consider their role to be then?

Mr. SPALDING. Principally this: To indicate to the lending institutions the approximate cost of attending that college, and whether or not that student gets support money form any other source, is in effect a kind of assurance to the bank that they are making a loan where it is needed.

Mrs. GREEN. It is a needs test then, is it not?

Mr. SPALDING. No; I don't think so, Madam.

It would not go into a father's income as we view it, except that the father, I guess, has to prove that he has a net income of $15,000 in order to get a subsidy.

Mrs. GREEN. Adjusted gross income?

Mr. SPALDING. Yes. But there is no calculation as there is in other programs to determine stipends on the basis of need and to meet that need.

Mrs. GREEN. Do you have the feeling that everybody will be treated alike in terms of the guaranteed student loan program if there is not somekind of needs test?

Let me give you an example.

One of the representatives of the banking association made the point to me yesterday that if there were no needs test at all and the president of a business in the town had $100,000 deposited in a bank and the student, the son of that man, came to the bank and wanted to take out a loan and qualified under the $15,000 adjusted income, the bank would not have any alternative except to give the loan, the pressure would be very great.

While the student at the very low-income family, not qualifying for NDEA but qualifying for the guaranteed loan, the family has had no relationship with the bank, the future financial status of that family is subject to question, do you think this youngster would be treated the same as the son of the man who has a substantial deposit there as the head of an industry?

Mr. SPALDING. I can't answer, but I think Mr. Morse might well be able to.

Mr. MORSE. I suppose, given a situation like that, the answer to you is "No", they would not be treated alike. I do not imagine that in this program there will always be perfect equity.

The problem of this needs test is that it has come to mean something rather specific, the precise calculations that one goes through in order to determine whether a youngster should get——