We are certainly aware of the fact that this recommendation poses a highly important question of public policy for the subcommittee. But for our part we believe that as a result of eliminating the post-graduation subsidy the program would operate more effectively and its availability to students having real economic need would be enlarged.

As to the proposal for expanding the role of the student financial aid officers in the guaranteed student loan program, this recommendation has the full support of the American Bankers Association. Of the several student financial aid programs supported in full or in part by the Federal Government, the guaranteed student loan program is the only one in which the college financial aid officer is not permitted to play a meaningful role. There is no question but that the college financial aid officer is in the best position to determine the real financial needs of a particular student. He does this with respect to all other student assistance programs, and we can see no valid reasons for excluding his important and informed judgments from the guaranteed student loan program.

If I might digress from the statement a moment to give an illustration, only a few weeks ago I was talking to a leading banker from the hinterlands who is almost singlehandedly trying to stay in the program in his own community and making these loans. He is finding it much more difficult to do. He told me an illustration in the city where a branch head of a large national business corporation which keeps a substantial deposit in the banks "leaned on him rather heavily"—in other words, suggested his son ought to get one of these low-rate guaranteed student loans.

It is very difficult for the head of a commercial bank to tell his biggest customers, either in terms of large personal accounts or large business accounts, that their sons or daughters can't have these loans because he is going to accommodate the needy. Despite this, the figures show, by and large, the banks have accommodated the needier borrowers by bringing the student financial aid officers into the picture so he could recommend to the bank this student should get $500, $700, or nothing whatever; it maybe would get the banker off of this spot and he would appreciate that very much.

We earnestly hope that this subcommittee will give its most serious consideration to expanding the role and responsibility of the college financial aid officer in the guaranteed student loan program.

Public-private partnership for solving social problems: There are many observers who believe that in the long run our more pressing social problems can only be solved through a workable partnership between the Government and the private sector. The American Bankers Association shares this view. It is for this reason that we are organizing a Bankers Committee on Urban Affairs to evaluate what bankers have already done in this area and to stimulate even greater and more effective action in the future.

This program—which will be described fully in a public announcement later this month—has been most carefully developed during a 5-month planning and staffing period, and we have high hopes as to its ultimate contribution to the public interest.