Mrs. GREEN. Thank you very much, Mr. Walker, for a very excellent statement. Congressman Quie, will you yield to Congressman Reid?

Mr. REID. I yield to Congressman Quie.

Mr. QUIE. No; I will yield to anybody on the committee.

Mrs. GREEN. All right, we will yield to Congressman Brademas.

Mr. BRADEMAS. Thank you very much, Dr. Walker and Mr. Smith, for your extremely interesting statement. I have two or three questions. One of my major questions touches upon the question of leadership on the part of two groups—the State governments and on the part of the bankers themselves at the State and local levels.

To what extent have State governments been giving cooperative leadership to the banks in making the program work?

Mr. WALKER. Given the relative youth or early age of the program and given the fact that it was put into effect with administrative difficulties as to organization, getting out forms and so on, given the fact that it had some positive disincentives for any particular State government to drag its feet in that if no State program were set up a Federal program would go into operation in the State at no cost to the State, given all of those many factors which we couldn't foresee in 1964–65, by and large the record has been very good.

Several States that did not have plans moved aggressively to set up plans. Other States, in which plans had been in existence, cooperated with this program and adjusted their plans, which they had to do in several legislative ways to make them conform to the Federal program.

Speaking for the bankers, we think that there has been generally good leadership in this area but not anything like we would like to see. The major reason has been that for a period of almost a year and a half there have been discussions as to how to take the loss operation out of this program, to take the disincentive aspect out of the program for the States and to provide the additional seed money and leverage necessary to make the program work.

We simply have not had time to concentrate on giving the sort of support and guidance at State level to bankers we would like to. If this package of legislation were to pass, Mr. Brademas, I can assure you we would be beating the bushes and delighted to cooperate with Congressmen in every district of the country to go to their bankers and get things moving where they need to move.

Mr. BRADEMAS. I know from my own experience, with which you are familiar, that from my own congressional district in Indiana the bankers have displayed great interest in making the program effective.

I have two or three specific proposals I have had advanced to me that might help the program move ahead more effectively and I would be glad if you could give me your comments on them. What would you think about a proposal that would make loans available to students who now find it difficult if not impossible to obtain loans by establishing some kind of central pool of credit that would provide loans to such students so that if a student in one part of the State found the banks or other private lending institutions there were not able or didn't want to participate, he would not be effectively barred because there would be some central pool which could be drawn from other institutions in the State?