

trying to borrow money to buy an automobile; so I think you can circumvent the oath that you need it by giving the legal officers some power.

Mr. BRADEMAs. I would hope very much we are able to work out some kind of device, conversion fee or some other, that will promise effectiveness in making the program work. I hope, moreover, that the American Bankers Association could cooperate with the universities, with credit unions, with State agencies, with the Office of Education in organizing statewide conferences and regional conferences at which the program could be discussed and explained and at which efforts could be made to encourage participation and cooperation on the part of all of those concerned and at which model programs, for example the North Carolina pooling arrangement, of which I had not before heard, could be brought to the attention of people elsewhere in the country so that we could get all hands moving to make this program really effective.

Mr. WALKER. I think this is an excellent idea and would be glad to cooperate, and I will ask Mr. Smith if he wants to comment on that.

Mr. SMITH. Mr. Brademas, I might say we did this very thing on a national basis in, I believe, June or July, 1966, here in Washington. We brought together at that time all of the State-plan administrators, we brought together perhaps two dozen college financial aid officers, lenders, not just bank lenders but savings and loan, credit union lenders, and this was sort of the first opportunity for all of us to meet with the Office of Education just after the regulations were finally promulgated. What has been done nationally could be done easily on a statewide basis.

Mr. BRADEMAs. Thank you. I want to say finally, Madam Chairman, it seems to me that if we are serious about getting the bankers and other private lenders into the field of student financial assistance, we have to make it possible for them to do so, and I must say, Mr. Walker, I have found more compelling your statement today than when you were here before and I was quarreling with you somewhat. I certainly don't think banks ought to be asked to take a loss if they participate in this student loan program.

The important thing, it seems to me, is to make it possible for bankers and other lenders to provide the money to the college students with which to go to college; otherwise, we are not meeting the purposes of the program, which is to help young Americans finance their education.

I thank you very much for your testimony.

Mr. WALKER. Thank you, sir.

Mrs. GREEN. Mr. Reid.

Mr. REID. Dr. Walker, I thank you for your testimony. I have just two questions. The first is in your statement and in your remarks you refer to the fact that the loan program could be in danger. Might I ask, what would happen, in your judgment, if there was an increasing shortage of money with a higher interest rate; will the program continue to be able to meet the needs of the students and will the suggestions of the administration for a placement and conversion fee take care of the problem if there is a sharp increase in interest rates?

Mr. WALKER. Yes, sir; I believe it will. If we are talking about anything within reason—and by “anything within reason” I mean short