Fortunately, Madam Chairman, you and your subcommittee were not taken in by this baseless emotional appeal and the dire consequences predicted by those who were crying "wolf" never happened. Not only did the student guarantee loan program not fold but rather it prospered and now shows every sign of reaching the heights originally predicted for the venture.

During the last fiscal year, there were 328,943 loans made under the program. As of December 31, 1968, the current fiscal year, there were 327,144 loans made.

Thus, in one-half year the program all but equaled its entire output during the previous year and there are indications that in the coming fiscal year 750,000 loans will be made.

Thus, it can easily be seen by even the most casual observer that the program is not on its last legs but rather is doing a brisk business. The gains, of course, have been made without the necessity of paying bonuses in the form of conversion fees to financial institutions.

I feel that one of the problems of the program in its formative stage was that it was being judged solely on the basis of how many loans were made as compared to the number of loans that had been predicted would be made.

It was said that the program was in trouble solely because it had not reached the number of projected loans. Even so, by June of 1967, the program was operating at slightly more than 60 percent of its projected level.

But projections, unfortunately, are not totally reliable, particularly when a new program is born. If newspaper stories had reported that by the end of June 1967 more than 357,000 loans had been made to college students under the student guarantee loan program, this fact would have been widely hailed.

It would have been pointed out that more than one-third of a million students were being helped and that the program was doing a wonderful job. But instead, the program had a projected figure of more than one-half a million loans hanging over its head and the only way it could be credited with doing an outstanding job was to exceed the projected figure.

I feel that the student loan program has performed an excellent service from the very beginning and its record of achievement is constantly increasing.

Perhaps the projection was unrealistic or not enough information was plugged in to the decisions that lead to the projection or, perhaps, as is too often the case, there were too many variables.

New programs must experience growing periods. There has to be adequate time for the word about the program to reach all corners of our country and for students and their parents not only to become acquainted with the program, but to have faith in it. I feel that the experience during this fiscal year shows that the program is now ready to stand on its own two feet.

In my last appearance before you, I felt strongly that the conversion fee, whether it be $35 or $25 or whatever the figure should not be allowed. I feel even more strongly at this time that the conversion fee feature of the legislation should not be adopted.

First, let us look at the amount of money it would cost the Government if the conversion fee were adopted. If, as predicted, there are