And we have never gotten the information to this good day.

It would appear the Treasury is continuing its indirect answering methods in its testimony before this subcommittee.

I am certain you will recall last summer that Dr. Walker and Mr. Barr testified that the banks were losing money on student loans and a rather loose set of figures that purportedly justified the American Bankers Association's position was presented to the committee.

I suggested in my appearance that these figures were perhaps not on the up and up but rather were obtained to prove a specific point rather than to lay the full truth before your committee.

According to my calculations at the time, the banks were not losing money as claimed by the American Bankers Association but rather were making money on these loans.

I am, indeed, gratified that the General Accounting Office study strongly questions the accuracy of the American Bankers Association's figures and makes it clear that the banks are making a tidy profit on these loans.

In Commissioner on Education, Harold Howe's testimony, he suggested that consideration should be given to using pension funds as a student loan pool. I personally favor such an idea and feel that if these funds were offered an earning asset of 6 percent a year, they would jump at the opportunity to provide money for the loans.

Or, as an alternative, perhaps consideration should be given to an educational bond that could be sold to the general public with a 6-percent interest rate. These bonds could carry a longer maturity so that they would not compete with savings bonds.

Not only would this make millions, if not billions, of dollars available for student loans, but would greatly aid this country's banking industry so that it would not have to continue making loss loans.

Madam Chairman, I sincerely hope that when your committee has worked its final will on this legislation that it will drop the conversion fee section and give the student loan program an opportunity to function in an atmosphere free of panic button pushers.

In short, the program is just beginning to reach its potential. Let us not take any hasty action while this program is in a period of forward movement. We need a much stronger experience factor before making any drastic alterations.

In closing, I would like to point out that if the conversion fee of $35 is adopted, and a year or 6 months from now the American Bankers Association decides that it is not enough money for its banks, it will be a simple task for that association to instruct its members not to make additional loans until the fee is raised.

Then we can look for Dr. Walker to put on his mask and strap on his gun and hold up Congress again in the name of higher education. Can we afford to treat our students in this manner?

Thank you very much.

Mrs. Green. Thank you very much, Mr. Patman, for your very informative and very provocative testimony. Some time ago I asked the Treasury Department and the Office of Education to make a study of the cost to the Federal Government over a 10-year period of loans under the NDEA and under the guaranteed student loan program with the proposed $35 conversion fee.