They would not have the same fear, nor the same problems, in meeting an obligation wherein they pay 5 percent of their net taxable income, whatever that may be, per year. In the years that they are working, they may pay more than they would otherwise, but it all depends upon their income.

In any event, since the average graduate will make 20 percent more than they would have had they not gone to school, they have about one-fourth of the extra income to repay the loan, which makes it a good investment for them. In the long run, they will have repaid the money, paid a great deal more in income tax as a result of the increased income, and they will have provided services that are going to be badly needed for this Nation many years to come.

It would not involve any additional paperwork for the nursing school which collects the money and remits it to the Government. The borrower would merely file a certificate stating what her income amounted to, and pay 5 percent of that amount each year.

Since 1961, I have been pushing this approach as a method of repayment for NDEA and other college loans. Although it was at one time accepted by the Education and Labor Committee in a proposed bill, that bill was later revised, and some people were still saying that the inflexible loan provisions would work well.

The repayment record of the last few years shows conclusively that some who have received loans do have a problem with an inflexible schedule that they would not have under this proposal. I am confident that almost every one of the loans that are in default now would not be in default if this kind of a repayment schedule had been permitted.

This idea that I am proposing has been heartily endorsed by persons I have talked with, such as Sister Mary Brigid, head of the School of Nursing at Marycrest College in Davenport, Iowa. And while she said her organization had not studied it so they could endorse it for the organization, Miss Julia C. Thompson, the Washington representative of the American Nurses Association, in testimony before the HEW appropriations subcommittee last year, said as follows:

Miss THOMPSON. This is one area we have found to be somewhat of a problem, that generally female students aren't as apt to take loans as men students because of the repayment and other responsibilities that they have in our society.

Mr. SMITH. Because they are on a rigid repayment schedule?

Miss THOMPSON. Yes.

Mr. SMITH. But if they were on a flexible schedule, they wouldn't have that kind of reluctance, would they?

Miss THOMPSON. Probably not.

Mr. Chairman and gentlemen of the committee, I sincerely urge you to include an amendment of this type in the bill. I have prepared such an amendment, which I will leave with you.

That is all I have.

(The document referred to follows:)

AMENDMENTS TO H.R. 15757, PROPOSED BY CONGRESSMAN NEAL SMITH

On page 14, after line 3, add the following and renumber the following paragraph accordingly:

(4) Section 741(c) of such Act (42 U.S.C. 294a) is further amended by adding thereto the following paragraph: "In lieu of payments required under this Act, an institution may enter into an agreement with a student providing that, beginning with the student's second taxable year which begins after the student ceases to pursue such full-time course of study, repayments shall be made at a