COLLEGE STUDENT AID LEGISLATION

HEARINGS

BEFORE THE

SUBCOMMITTEE ON EDUCATION

OF THE

COMMITTEE ON
LABOR AND PUBLIC WELFARE
UNITED STATES SENATE

EIGHTY-EIGHTH CONGRESS

SECOND SESSION

ON

S. 2490

A BILL TO PROVIDE ASSISTANCE FOR STUDENTS IN HIGHER EDUCATION

AND

TITLE I OF S. 580, EXPANSION OF OPPORTUNITIES FOR INDIVIDUALS IN HIGHER EDUCATION

PART 1

FEBRUARY 20 AND MARCH 10, 1964

Printed for the use of the Committee on Labor and Public Welfare

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COLLEGE STUDENT AID LEGISLATION

THURSDAY, FEBRUARY 20, 1964

U.S. SENATE,
SUBCOMMITTEE ON EDUCATION OF THE
COMMITTEE ON LABOR AND PUBLIC WELFARE,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10 a.m., in room 4232, New Senate Office Building, Senator Wayne Morse (chairman) presiding.

Present: Senators Morse, Clark, and Yarborough.

Also present: Hon. Vance Hartke, a U.S. Senator from the State of Indiana.

Committee staff members present: Stewart E. McClure, chief clerk; John S. Forsythe, general counsel; Charles Lee, professional staff member of the subcommittee, and Michael J. Bernstein, minority counsel.

Senator MORSE. The hearing will come to order.

In opening hearings on S. 2490, the higher education student assistance bill, introduced February 3, 1964, by the distinguished senior Senator from Indiana, the Honorable Vance Hartke, and in reopening our hearings on title I of S. 580, the comprehensive education bill of the administration, I wish to express to the distinguished Senator my appreciation for having, through his bill, afforded the subcommittee an opportunity to review again the question of providing Federal scholarships to the talented young men and women of limited means in our country to enable them, through education to use their abilities for the good of our community, the States, and the Nation.

I direct the bill, S. 2490, title I of S. 580, and the departmental reports thereon be printed at this point in the hearing record.

(S. 2490, title I, and departmental reports follow:)

29-655 O—64—pt. 1——2

88TH CONGRESS
2D SESSION

S. 2490

IN THE SENATE OF THE UNITED STATES

FEBRUARY 3, 1964

MR. HARTKE introduced the following bill; which was read twice and referred to the Committee on Labor and Public Welfare

A BILL

To provide assistance for students in higher education by increasing the amount authorized for loans under the National Defense Education Act of 1958 and by establishing programs for scholarships, loan insurance, and work-study.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Higher Education Student Assistance Act of 1965".

STUDENT LOANS

SEC. 2. (a) The first sentence of section 201 of the National Defense Education Act of 1958 (20 U.S.C. 421) is amended by striking out "$90,000,000 each for the fiscal year ending June 30, 1962, and the next fiscal year, $125,-

000,000 for the fiscal year ending June 30, 1964, and $135,000,000 for the fiscal year ending June 30, 1965, and such sums for the fiscal year ending June 30, 1966, and each of the next three fiscal years as may be necessary to enable students who have received loans for school years ending prior to July 1, 1965, to continue or complete their education" and inserting in lieu thereof "$90,000,000 each for the fiscal year ending June 30, 1962, and the next fiscal year, $125,000,000 for the fiscal year ending June 30, 1964, $200,000,000 for the fiscal year ending June 30, 1965, $250,000,000 for the fiscal year ending June 30, 1966, and each of the next two fiscal years, and such sums for the fiscal year ending June 30, 1969, and each of the next three fiscal years as may be necessary to enable students who have received loans for school years ending prior to July 1, 1968, to continue or complete their education".

(b) Section 202 of such Act is amended by striking out "1965" wherever it appears therein and inserting in lieu thereof "1968".

(c) Effective with respect to fiscal years beginning after June 30, 1964, section 203 of such Act is amended by striking out subsection (b) and by striking out "(a)" after "Sec. 203.".

(d) (1) Subparagraph (4) (A) of section 204 of such

Act is amended by inserting ", or in institutions of higher education" after "in elementary or secondary schools".

(2) The amendment made by this subsection shall apply to the selection of students under title II of such Act made in or after the second month following the month in which this Act is enacted.

(e) (1) Subsection (a) of section 205 of such Act is amended to read as follows:

"(a) The total of the loans for any academic year or its equivalent, as determined under regulations of the Commissioner, made by institutions of higher education from loan funds established pursuant to agreements under this part may not exceed $2,500 in the case of any graduate or professional student (as defined in regulations of the Commissioner), or $1,500 in the case of any other student. The aggregate of the loans for all years from such funds may not exceed $10,000 in the case of any graduate or professional student (as so defined, and including any loans from such funds made to such person before he became a graduate or professional student), or $7,500 in the case of any other student."

(2) (A) Subparagraph (1) (C) of subsection (b) of such section 205 is amended by striking out "there either as an undergraduate or graduate student" and inserting in lieu thereof "at such institution".

(B) Subparagraph (3) of such subsection (b) of such section 205 is amended to read as follows:

"(3) for service as a full-time teacher in a public or nonprofit private elementary or secondary school in a State or in an elementary or secondary school overseas of the Armed Forces of the United States or in an institution of higher education, there shall be canceled not to exceed 50 per centum of the amount of any such loan plus interest thereon, which was unpaid on the first day of such service, (A) at the rate of 25 per centum for each complete academic year, or its equivalent (as determined under regulations of the Commissioner), of such service in the case of a person who, at some time during the two-year period preceding his attendance at an institution of higher education to pursue the course of study in connection with which the loan was made, was engaged as a full-time teacher in a public or nonprofit private elementary or secondary school in a State or in an elementary or secondary school overseas of the Armed Forces of the United States or in an institution of higher education, or (B) at the rate of 10 per centum for each complete academic year, or its equivalent (as so determined), of such service in the case of any other person;".

(3) The amendment made by paragraph (1) shall apply for purposes of determining the amount of any loans under title II of such Act for academic years beginning after the date of enactment of this Act. The amendment made by subparagraph (B) of paragraph (2) shall apply with respect to service as a teacher (described in such section 205(b)(3) of the National Defense Education Act of 1958) performed during academic years beginning after the enactment of this Act, whether the loan was made before or after such enactment.

(f) Section 206 of such Act is amended by striking out "1969" wherever it appears therein and inserting in lieu thereof "1972".

SCHOLARSHIPS, LOAN INSURANCE, AND WORK-STUDY PROGRAMS

SEC. 3. (a) Title II of the National Defense Education Act of 1958, as amended, is further amended by striking "TITLE II—LOANS TO STUDENTS IN INSTITUTIONS OF HIGHER EDUCATION" as it appears as the heading of that title, and inserting in lieu thereof,

"TITLE II—LOANS, SCHOLARSHIPS, LOAN INSURANCE, AND WORK-STUDY PROGRAMS FOR STUDENTS IN INSTITUTIONS OF HIGHER EDUCATION

"PART A—LOANS TO STUDENTS IN INSTITUTIONS OF HIGHER EDUCATION"

(b) The words "this part" are substituted for "this title" wherever the latter words may appear in sections 201 to 209, inclusive, of that Act.

(c) Subsection (b) of section 103 of that Act is amended to read as follows:

"(a) The term "institution of higher education" means an educational institution in any State which—

(1) admits as regular students only individuals having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate;

(2) is legally authorized within such State to provide a program of education beyond secondary education;

(3) provides an educational program for which it awards a bachelor's degree or provides not less than a two-year program which is acceptable for full credit toward such a degree, or offers a two-year program in engineering, mathematics, or the physical or biological

sciences which is designed to prepare the student to work as a technician and at a semiprofessional level in engineering, scientific, or other technological fields which require the understanding and application of basic engineering, scientific, or mathematical principles or knowledge;

(4) is a public or other nonprofit institution; and

(5) is accredited by a nationally recognized accrediting agency or association listed by the Commissioner pursuant to this paragraph or, if not so accredited, is an institution whose credits are accepted, on transfer, by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited: *Provided, however,* That, for the purposes of title II, (A) such term includes any private business school or technical institution which meets the provisions of clauses (1), (2), (3), (4), and (5), and (B) in the case of an institution offering a two-year program in engineering, mathematics, or the physical or biological sciences which is designed to prepare the student to work as a technician and at a semiprofessional level in engineering, scientific, or technological fields which require the understanding and application of basic engineering, scientific, or mathematical principles or knowledge, if the Commissioner determines there is no

nationally recognized accrediting agency or association qualified to accredit such institutions, he shall appoint an advisory committee, composed of persons specially qualified to evaluate training provided by such institutions, which shall prescribe the standards of content, scope, and quality which must be met in order to qualify such institutions for assistance under title II and shall also determine whether particular institutions meet such standards. For the purposes of this paragraph the Commissioner shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of education or training offered.

(d) There is inserted, immediately following section 209 of that Act, the following:

"PART B—UNDERGRADUATE SCHOLARSHIPS

"APPROPRIATIONS AUTHORIZED

"SEC. 211. There is hereby authorized to be appropriated $37,500,000 for the fiscal year ending June 30, 1965, and each of the next three fiscal years for scholarships to persons who have not previously been awarded scholarships under this part and who are selected for award of such scholarships by the State commissions on scholarships (hereinafter referred to as 'State commissions'). In addition there are authorized to be appropriated for the fiscal year ending June

30, 1966, and for each of the six succeeding fiscal years such sums as are necessary for making payments to individuals who have been awarded scholarships under this part for previous years. Sums appropriated pursuant to the first sentence of this section shall remain available for the award of scholarships under this part until the close of the fiscal year succeeding the fiscal year for which they were appropriated.

"AMOUNT OF SCHOLARSHIPS

"SEC. 212. (a) Any person awarded a scholarship under this part who is determined by the State commission, in accordance with the provisions of the State plan approved under section 216, to need financial assistance to continue his education at an institution of higher education shall be paid an amount, not to exceed $1,000 for any academic year or its equivalent (as defined in the regulations of the Commissioner), based on his financial need for assistance during such year (or equivalent) as determined in accordance with such provisions. Any person so awarded a scholarship who is determined by the State commission, in accordance with such provisions of the State plan, not to be in sufficient need for such assistance to be paid any amount under this part for his first year shall receive an appropriate certificate from the Commissioner.

"(b) The Commissioner shall by regulation, prescribed after consultation with the other Federal agency or agencies concerned, provide for such adjustment (including, where appropriate, total withholding) of scholarship payments under this part as may be necessary to avoid duplication of educational assistance received under programs administered by such agencies.

"DURATION OF SCHOLARSHIPS

"SEC. 213. The duration of a scholarship awarded under this part shall be the period, not in excess of four academic years or the equivalent (as defined in regulations of the Commissioner), required for completion by the recipient of his course of study. Notwithstanding the preceding provisions of this part, a scholarship awarded under this part shall entitle the recipient to payments for such period only if the Commissioner finds that he (1) is maintaining satisfactory progress in the course of study which he is pursuing, according to the regularly prescribed standards and practices of the institution which he is attending, and (2) devotes essentially full time to such course of study, during the academic year (or equivalent), in attendance at an institution of higher education, except that failure to be in attendance at an institution during vacation periods or periods of military service, or during other periods during which the Commissioner determines, in accordance with regulations, that there is good cause for his nonattendance (during which periods he shall receive no payments), shall not be deemed contrary to this clause.

"SELECTION OF RECIPIENTS OF SCHOLARSHIPS

"SEC. 214. (a) An individual shall be eligible to compete in any State for a scholarship under this part if he (1) is living in the State or, if not living in any State, is domiciled in such State; (2) makes application at the time and in the manner prescribed by the State commission; (3) is not, or has not been, enrolled full time in any course of study at an institution of higher education; and (4) is attending a public secondary school in, or a private secondary school accredited by, any State.

"(b) From among those competing in any State for scholarships for each fiscal year, the State commission shall, in accordance with the provisions of the State plan approved under section 216 and within the amount allotted to the State for such scholarships under section 215, select persons who are to be awarded such scholarships and determine the amounts, if any, to be paid to them. The Commissioner shall award a scholarship to a person so selected, and in the amount so determined, if—

"(1) the State commission certifies that such person (A) has received a certificate of graduation, based on completion of the twelfth grade, from any public secondary school in, or any private secondary school accredited by, a State, or (B) in the case of an individual who has not received such a certificate, is determined by such State commission to have attained a level of advancement generally accepted as constituting the equivalent of that required for graduation from secondary schools accredited by such State;

"(2) such person has become enrolled for a course of study in an institution of higher education; and

"(3) such person's graduation from secondary school occurred (or the equivalent level of educational advancement was attained) during or at the close of the school year in which he was selected for the scholarship, and his enrollment at an institution of higher education was for the first academic year that commenced following his graduation (or attainment of the equivalent level of advancement) and occurred upon the first opportunity for such enrollment, except that the State commission may, in accordance with regulations of the Commissioner, for good cause waive or modify the requirements of this clause or clause (4) of subsection (a).

"ALLOTMENT OF APPROPRIATIONS FOR SCHOLARSHIPS

"SEC. 215. (a) From the sum appropriated for any fiscal year pursuant to the first sentence of section 211 the Commissioner shall allot amounts, but not in the aggregate to exceed 2 per centum of such sum, among Puerto Rico, the Canal Zone, Guam, American Samoa, and the Virgin Islands according to their respective needs for scholarship assistance as determined by him. The remainder of such sum shall be allotted by the Commissioner among the remaining States, one-half on the basis of the relative number of individuals graduating from public or other nonprofit secondary schools in the respective States, as determined by the Commissioner for the most recent year for which satisfactory data for such States are available to him, and one-half on the basis of their relative populations aged fourteen to seventeen, inclusive, as determined by the Commissioner for the most recent year for which satisfactory data are available from the Department of Commerce.

"(b) Sums appropriated under the second sentence of section 211 shall be allotted by the Commissioner among the States on the basis of the relative amounts he estimates are needed to make payments to persons awarded scholarships for previous years.

"STATE COMMISSIONS AND PLANS

"SEC. 216. (a) Any State desiring to participate in the scholarship program under this part may do so by establishing a State commission on scholarships broadly representative of secondary schools and institutions of higher education, and of the public, in the State, or designating an existing State agency with equivalent representation to serve as the State commission on scholarships, and by submitting, through such commission, a State plan for carrying out the purposes of this part which is approved by the Commissioner under this section. The Commissioner shall approve any such plan which—

"(1) provides that it shall be administered by the State commission;

"(2) provides for the selection of individuals to receive scholarships from among applicants eligible to compete therefor, and for determination of the amounts (if any) of payments under such scholarships, in accordance with standards, procedures, and criteria established by the State commission, which the Commissioner finds provide reasonable assurance

"(A) that selection of individuals to receive scholarships under this part will be based solely on ability to pursue successfully a course of study at an institution of higher education, determined in accordance with objective tests and other measures of ability and achievement, and that the amount of each individual's scholarship each year will be based solely on his need for financial assistance to continue his education at an institution of higher education, which need shall be determined without regard to tuition, fees, and other expenses of attendance at the particular institution of higher education chosen by the individual,

"(B) that any eligible applicant who is not living in, but is domiciled in, the State is provided a reasonable opportunity to be selected for a scholarship, and

"(C) that scholarship examinations or other tests required to be taken by applicants are given, insofar as practicable, in the secondary school the individual attends;

"(3) provides for certification to the Commissioner of

"(A) individuals selected pursuant to the State plan for scholarships and the amounts thereof, and

"(B) the financial need of individuals previously awarded such scholarships (and the amounts, if any, of payments under their scholarship), as determined in accordance with the State standards, procedures, and criteria established as provided in paragraph (2);

"(4) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State under this part; and

"(5) provides for the making of such reports, in such form and containing such information, as may be reasonably necessary to enable the Commissioner to perform his functions under this part.

"(b) In the case of any State plan which has been approved by the Commissioner, if the Commissioner, after reasonable notice and opportunity for hearing to the State commission administering such plan, finds

"(1) that the plan has been so changed that it no longer complies with the provisions of subsection (a), or

"(2) that in the administration of the plan there is a failure to comply substantially with such provisions,

the Commissioner shall notify such State commission that the State will not be regarded as eligible to participate in the program under this part until he is satisfied that there is no longer any such failure to comply.

"(c) The Commissioner shall pay to each State such amounts as the Commissioner determines to be necessary for the proper and efficient administration of the State plan (including reimbursement to the State for expenses which the Commissioner determines were necessary for the preparation of the State plan) approved under this part. There are hereby authorized to be appropriated such sums as may be necessary to make such payments.

"SELECTION OF INSTITUTION

"SEC. 217. An individual awarded a scholarship under this part may attend any institution of higher education which admits him.

"COST OF EDUCATION ALLOWANCES

"SEC. 218. In order partially to compensate institutions of higher education for expenses, in excess of student tuition and other fees, incurred by such institutions in providing education to persons awarded scholarships and receiving payments with respect thereto under this part, the Commissioner shall, in accordance with regulations, pay each institution which such a person attends during the major portion of each academic year for which such person receives scholarship payments, the amount of $350. There are hereby authorized to be appropriated for the fiscal year ending June 30, 1966, and for each of the six succeeding years such sums as may be necessary to make such payments.

"PAYMENTS

"SEC. 219. The Commissioner may arrange for the payment of the amounts due recipients of scholarships, institutions, and State commissions under this part in accordance with section 1006.

"PART C—INSURANCE OF LOANS TO STUDENTS IN INSTITUTIONS OF HIGHER EDUCATION

"SCOPE AND DURATION OF LOAN INSURANCE PROGRAM

"SEC. 221. (a) For the purpose of facilitating loans to students in institutions of higher education, eligible lenders may be insured by the Commissioner, on behalf of the United States, against losses on loans made by them to such students, on or after July 1, 1964, if made upon the conditions and within the limits specified in this part. The total principal amount of new loans to students covered by insurance under this part in any fiscal year ending before July 1, 1967, shall not exceed $50,000,000 in the fiscal year ending June 30, 1965, $100,000,000 in the fiscal year ending June 30, 1966, and $150,000,000 in the fiscal year ending June 30, 1967. Thereafter, insurance pursuant to this part may be granted only for loans made (or for loan installments paid pursuant to lines of credit as defined in section 222) to enable students, who have obtained prior loans insured under this part, to continue or complete their educational program; but no insurance may be granted for any such loan made or installment paid after June 30, 1971.

"(b) The Commissioner may, if he finds it necessary to do so in order to assure an equitable distribution of the benefits of this part, assign, within the maximum amounts specified in subsection (a), insurance quotas applicable to eligible lenders, or to States or areas, and may from time to time reassign unused portions of such quotas. For purposes of this part, the term 'eligible lender' means an institution of higher education, or a financial or credit institution (including an insurance company) which is subject to examination and supervision by an agency of the United States or of any State.

"LIMITATIONS ON INDIVIDUAL LOANS AND ON INSURANCE

"SEC. 222. (a) No loan or loans by one or more eligible lenders in excess of $2,000 in the aggregate to any student in any academic year or its equivalent shall be covered by insurance under this part, and the aggregate insured unpaid principal amount of all loans made to any student shall not exceed $10,000 at any time. The annual insurable limit per student shall not be deemed to be exceeded by a line of credit under which actual payments by the lender to the borrower will not be made in any year in excess of such annual limit. As used in this section and hereinafter in this part, the term 'line of credit' means an arrangement or agreement between the lender and the borrower whereby a loan is paid out by the lender to the borrower in annual installments, or whereby the lender agrees to make, in addition to the initial loan, additional loans in subsequent years.

"(b) The insurance liability on any loan insured under this part shall be limited to 90 per centum of the unpaid balance of such loan, including 90 per centum of the interest accrued and unpaid.

"SOURCES OF FUNDS

"SEC. 223. Loans made by eligible lenders in accordance with this part shall be insurable whether made from funds fully owned by the lender or from funds held by the lender in a trust or similar capacity and available for such loans.

"ELIGIBILITY OF STUDENT BORROWERS AND TERMS OF STUDENT LOANS

"SEC. 224. A loan by an eligible lender shall be insurable under the provisions of this part only if—

"(a) made to a student who has been accepted for enrollment as a full-time student at an institution of higher education or, in the case of a student already attending such an institution, is in good standing and in full-time attendance there as determined by the institution, and

"(b) evidenced by a note or other written agreement which (1) is made without security and without endorsement, except that if the borrower is a minor and such note or other written agreement executed by him would not, under the applicable law, create a binding obligation, endorsement may be required, (2) provides for repayment of the principal amount of such loan in installments over a ten-year period (or such other period as may be authorized by regulation of the Commissioner) beginning (except in the event of default in the payment of interest or in payment of the cost of insurance premiums, or other default by the borrower) (A) not earlier than one year following the date on which the student ceases to devote essentially full time to educational work in attendance at any institution of higher education, or (B) if sooner, and if agreed upon between the borrower and the lender, not earlier than one year following the date on which the student completes or ceases to pursue the full-time study program in which he was enrolled or had been accepted for enrollment, (3) provides for interest on the unpaid balance of such loan at a yearly rate, not exceeding the applicable maximum rate as prescribed and defined by the Commissioner by or pursuant to regulation, which shall be payable in installments over the period of the loan except that, if provided in the note or other written agreement, payment of interest may be deferred until not later than the date upon which repayment of the first installment of principal falls due, in which case interest that has accrued during such period may be added on that date to the principal, (4) entitles the student borrower to accelerate repayment of the whole or any part of such loan, and (5) contains such other terms and conditions, consistent with the provisions of this part and with the regulations issued by the Commissioner pursuant to this part, as may be agreed upon by the parties to such loan, including, if agreed upon, a provision requiring the borrower to pay to the lender, in addition to principal and interest, amounts equal to the insurance premiums payable by the lender to the Commissioner with respect to such loan.

"CERTIFICATES OF INSURANCE—EFFECTIVE DATE OF INSURANCE—PREMIUMS

"SEC. 225. (a) (1) If, upon application by an eligible lender, made upon such form, containing such information, and supported by such evidence as the Commissioner may require, and otherwise in conformity with this section, the Commissioner finds that the applicant has made a loan to an eligible student which is insurable under the provisions of this part, he may, upon tender by the applicant to the first year's insurance premium payable pursuant to subsection (c), issue to such applicant a certificate of insurance covering such loan and setting forth the amount and terms of such insurance.

"(2) Insurance evidenced by a certificate of insurance pursuant to subsection (a) (1) shall become effective upon the date of issuance of such certificate, except that the Commissioner is authorized, in accordance with regulations, to issue commitments with respect to proposed loans, or with respect to lines (or proposed lines) of credit (as defined in section 222), submitted by eligible lenders, and in that event, upon compliance with subsection (a) (1) by the lender, the certificate of insurance may be issued effective as of the date when any loan, or any payment by the lender pursuant to a line of credit, to be covered by such insurance, was made. Such insurance shall cease to be effective upon thirty days' default by the lender in the payment of any installment of the premiums payable pursuant to subsection (c).

"(3) An application submitted pursuant to subsection (a) (1) shall contain (A) an agreement by the applicant to pay, in accordance with regulations, the premiums fixed by the Commissioner pursuant to subsection (c), and (B) an agreement by the applicant that if the loan is covered by insurance the applicant will submit such supplementary reports and statements during the effective period of the loan agreement, upon such forms, at such times, and containing such information as the Commissioner may prescribe by or pursuant to regulation.

"(b) (1) In lieu of requiring a separate insurance application and issuing a separate certificate of insurance for each student loan made by an eligible lender as provided in subsection (a), the Commissioner may, in accordance with regulations consistent with section 221, issue to any eligible lender applying therefor a certificate of comprehensive insurance coverage which shall, without further action by the Commissioner, insure all insurable loans made by such lender, on or after the date of such certificate and before a specified cut off date, within the limits of an aggregate maximum amount stated in the certificate. Such regulations may provide for conditioning such insurance, with respect to any loan, upon compliance by the lender with such requirements (to be stated or incorporated by reference in the certificate) as in the Commissioner's judgment will best achieve the purpose of this subsection while protecting the financial interest of the United States and promoting the objectives of this part, including (but not limited to) provisions as to the reporting of such loans and information relevant thereto to the Commissioner and as to the payment of initial and other premiums and the effect of default therein, and including provision for confirmation by the Commissioner from time to time (through endorsement of the certificate) of the coverage of specific new loans by such certificate, which confirmation shall be incontestable by the Commissioner in the absence of fraud or misrepresentation of fact or patent error.

"(2) If the holder of a certificate of comprehensive insurance issued under this subsection grants to a student a line of credit (as defined in section 222) extending beyond the cut off date specified in such certificate, loans or payments thereon made by such holder after such date pursuant to such line of credit shall not be deemed to be included in the coverage of such certificate except as may be specifically provided therein; but, subject to the limitations of section 221, the Commissioner may, in accordance with regulations, make commitments to insure such future loans or payments, and such commitments may be honored either as provided in subsection (a) or by inclusion of such insurance in comprehensive coverage under this subsection (b) for the period or periods in which such future loans or payments are made.

"(c) The Commissioner shall, pursuant to regulations, charge for insurance on each loan under this part a premium in an amount not to exceed one-fourth of 1 per centum per year of the unpaid balance of principal and accrued interest of such loan, payable in advance, at such time and in such manner as may be prescribed by the Commissioner. Such regulations may provide that such premium shall not be payable, or if paid shall be refundable, with respect to any period after default in the payment of principal or interest, or after the borrower has died or becomes totally and permanently disabled, if (1) notice of such default or other event has been duly given, and (2) request for payment of the loss insured against has been made or the Commissioner has made such payment on his own motion pursuant to section 226(a).

"(d) The rights of an eligible lender arising under insurance evidenced by a certificate of insurance issued to it under this section may be assigned as security by such lender only to another eligible lender, and subject to regulation by the Commissioner.

"(e) The consolidation of the obligations of two or more insured loans obtained by a student borrower in any fiscal year into a single obligation evidenced by a single instrument of indebtedness shall not affect the insurance by the United States. If the loans thus consolidated are covered by separate certificates of insurance issued under subsection (a), the Commissioner may upon surrender of the original certificates issue a new certificate of insurance in accordance with such subsection upon such consolidated obligation; if they are covered by a single comprehensive certificate issued under subsection (b), the Commissioner may amend that certificate accordingly.

"PROCEDURE ON DEFAULT, DEATH, OR DISABILITY OF STUDENT

"SEC. 226. (a) Upon default by the student borrower on any loan covered by insurance pursuant to this part, or upon the death of the student borrower or a finding by the insurance beneficiary that the borrower has become totally and permanently disabled (as determined in accordance with regulations established by the Commissioner) before the loan has been repaid in full, and prior to the commencement of suit or other enforcement proceeding upon any security for such loan, the insurance beneficiary shall promptly notify the Commissioner, and the Commissioner shall if requested (at that time or after further collection efforts) by such beneficiary, or may on his own motion, if the insurance is still in effect, pay to the beneficiary, within the limits of liability specified in section 222 (b), the amount of the loss sustained by the insured upon such loan as soon as such amount has been determined. The 'amount of the loss' on any loan shall, for the purposes of this subsection, be deemed to be an amount equal to the unpaid balance of the loan, including interest accrued and unpaid on the date of payment by the United States on its insurance obligation, except that where the Commissioner has decided to make payment on his own motion the amount of the loss as so determined shall be deemed tentative and shall be increased by the excess, if any, over such tentative amount of any net recovery made by the Commissioner on such loan after deduction of the cost of such recovery (including reasonable administrative cost).

"(b) Upon payment by the Commissioner of the insured portion of the loss, or tentative amount of loss, pursuant to subsection (a), the United States shall be subrogated to the rights of the holder of the obligation upon the insured loan and be entitled to an assignment of the note or other evidence of the insured loan by the insurance beneficiary.

"(c) Nothing in this section or in this part shall be construed to preclude any forbearance for the benefit of the student borrower which may be agreed upon by the parties to the insured loan and approved by the Commissioner, or to preclude forbearance by the Commissioner in the enforcement of the insured obligation after payment on such insurance, or to require collection of the amount of any loan by the insurance beneficiary or by the Commissioner from the estate of a deceased borrower or from a borrower found by the insurance beneficiary to have become permanently and totally disabled.

"(d) Nothing in this section or in this part shall be construed to excuse the holder of a loan from exercising, in the making and collection of loans under the provisions of this part, the same care and diligence which would reasonably be used in making and collecting loans not insured. If the Commissioner, after reasonable notice and opportunity for hearing to an eligible lender, finds that it has substantially failed to exercise such care and diligence, or to make the reports and statements required under section 225 (a) (3), or to pay the required insurance premiums, he shall disqualify such lender for further insurance on loans granted pursuant to this part until he is satisfied that such failure has ceased and finds that there is reasonable assurance that the lender will in the future exercise necessary care and diligence or comply with such requirements, as the case may be.

"(e) As used in this section, the term "insurance beneficiary' means the insured or its authorized assignee, if the certificate of insurance is held by such assignee.

"REVOLVING INSURANCE FUND

"SEC. 227. (a) There is hereby established a Student Loan Insurance Fund (hereafter in this section called the 'Fund') which shall be available without fiscal year limitation to the Commissioner for carrying out the provisions of this part, and the Commissioner is hereby authorized to transfer to the Fund from time to time from the appropriations provided under subsection (b) of this section such sums as he deems necessary to provide capital for the Fund. All amounts received by the Commissioner as premium charges for insurance and as receipts, earnings, or proceeds derived from any claim or other assets acquired by the Commissioner in connection with his operations under this part, and any other moneys, property, or assets derived by the Commissioner from his operations in connection with this section, shall be deposited in the Fund. All expenses under this part shall be paid from the Fund, including (within the limits authorized from year to year in appropriation Acts to be paid for such purpose from the Fund) all administrative expenses which the Commissioner determines are reasonably attributable to his operations under this part. Moneys in the Fund not needed for current operations under this section may be invested in bonds or other obligations guaranteed as to principal and interest by the United States. If at any time the Commissioner determines that capital surplus and reserves of the Fund exceed the present and any reasonably prospective future requirements of the Fund, such excess may be deposited in the Treasury as miscellaneous receipts.

"(b) (1) For the purpose of carrying out the provisions of this part, there are authorized to be appropriated for transfer to the Fund, pursuant to subsection (a) of this section—

"(A) the sum of $1,000,000; and

"(B) such further sums, if any, as may become necessary for the adequacy of the Fund.

Any sums appropriated under this subsection shall remain available until expended.

"(2) Interest shall accrue to the Treasury on outstanding capital resulting from transfers to the Fund from appropriations under paragraph (1) of this subsection. The rate of such interest with respect to each such transfer shall be determined by the Secretary of the Treasury, taking into consideration the current average market yield, during the month preceding such transfer, on outstanding marketable obligations of the United States having maturities comparable to those of loans insured under this part. From time to time and at least at the close of each fiscal year, the Commissioner shall pay to the Treasury, as miscellaneous receipts, all accrued interest.

"(3) If at any time the moneys in the Fund (including any appropriation available for transfer to the Fund pursuant to this section) are insufficient to make payments in connection with the default of any loan insured under this part, the Commissioner is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Commissioner with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued hereunder and for such purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this paragraph. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. Sums borrowed under this paragraph shall be deposited in the Fund and redemption of such notes and obligations shall be made by the Commissioner from such Fund.

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"LEGAL POWERS AND RESPONSIBILITIES

"SEC. 228. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this part, the Commissioner may—

"(1) prescribe such regulations as may be necessary to carry out the purposes of this part;

"(2) sue and be sued in any court of record of a State having general jurisdiction or in any district court of the United States, and such district courts shall have jurisdiction of civil actions arising under this part without regard to the amount in controversy, and any action instituted under this subsection by or against the Commissioner shall survive notwithstanding any change in occupying the office of Commissioner or any vacancy in such office; but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Commissioner or property under his control, and nothing herein shall be construed to except litigation arising out of activities under this part from the application of sections 507(b) and 2679 of title 28 of the United States Code and of section 367 of the Revised Statutes (5 U.S.C. 316);

"(3) include in any contract for insurance such terms, conditions, and covenants relating to repayment of principal and payment of interest, relating to his obligations and rights and to those of eligible lenders, and borrowers in case of default, and relating to other matters as the Commissioner determines to be necessary to assure that the purposes of this part will be achieved; and any term, condition, and covenant made pursuant to this clause or any other provision of this part may be modified by the Commissioner if he determines such modification is necessary to protect the financial interest of the United States;

"(4) subject to the specific limitations in this part, consent to the modification, with respect to rate of interest, time of payment of any installment of principal and interest or any portion thereof, or any other provision, of any note or other instrument evidencing a loan which has been insured under this part;

"(5) enforce, pay, or compromise, any claim on, or arising because of, any such insurance; and

"(6) enforce, pay, compromise, waive, or release any right, title, claim, lien, or demand, however acquired, including any equity or any right of redemption.

"(b) The Commissioner shall, with respect to the financial operations arising by reason of this part—

"(1) prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act;

"(2) maintain an integral set of accounts, which shall be audited annually by the General Accounting Office in accordance with principles and procedures applicable to commercial corporate transactions, as provided by section 105 of the Government Corporation Control Act with respect to insurance under this part, except that the transactions of the Commissioner, including the settlement of insurance claims, and transactions related thereto and vouchers approved by the Commissioner in connection with such transactions, shall be final and conclusive upon all accounting and other officers of the Government.

"PART D—WORK-STUDY PROGRAMS FOR STUDENTS IN INSTITUTIONS OF HIGHER EDUCATION

"APPROPRIATIONS AUTHORIZED

"SEC. 231. For the purpose of enabling the Commissioner to stimulate and promote work-study programs for students who are in need of the earnings from employment to pursue courses of study at institutions of higher education, and to assist such institutions to develop and expand courses of study requiring periods of full-time on-the-job training, there are authorized to be appropriated $250,000,000 for the fiscal year ending June 30, 1965, and each of the next three fiscal years. Sums appropriated under this section for any fiscal year shall be available, in accordance with the provisions of this part and with agreements between the Commissioner and institutions of higher education, for payment by the Commissioner of the compensation of students employed under work-study programs covered by such agreements for such fiscal year.

"APPORTIONMENT OF FUNDS

"SEC. 232. For the purpose of determining the maximum amount that may be paid by the Commissioner under this part as compensation to students at each participating institution of higher education, the Commissioner shall apportion the amount appropriated pursuant to section 231 for any fiscal year as follows:

"(a) The Commissioner shall allot to each State an amount which bears the same ratio to the amount so appropriated as the number of persons enrolled on a full-time basis in institutions of higher education in such State bears to the total number of persons enrolled on a full-time basis in institutions of higher education in all of the States. The number of persons enrolled on a full-time basis in institutions of higher education for the purposes of this section shall be determined by the Commissioner for the most recent year for which satisfactory data are available to him.

"(b) In order to allocate the amount so allocated to any

State among institutions of higher education in such State with which he has agreements under this part and which meet the requirements established in his regulations under this part, the Commissioner shall from time to time set dates by which such institutions must file application for such allocations. In the event that the total requested in such applications from such institutions in a State exceeds the amount of the allotment of such State available for such purpose, the allocation from such allotment to each such institution shall bear the same ratio to the amount requested in its application as the amount of such allotment available for such purpose bears to the total requested in all such applications. In the event the total requested in such applications from such institutions in a State is less than the amount of the allotment of such State available for such purpose, the Commissioner may reallot the remaining amount from time to time, on such date or dates as the Commissioner may fix, to other States in proportion to the original allotments to such States under subsection (a) for such year, and may allocate such reallotted amounts among participating institutions in such other States.

"CONDITIONS OF AGREEMENTS

"SEC. 233. An agreement with any institution of higher education under this part shall—

"(1) provide for the operation by the institution of a work-study program for the employment of its students by such institution, or by a public agency or institution pursuant to a contract or other arrangement with such institution, in work of an educational character or having a substantial educational or public service content;

"(2) provide that employment under such work-study program shall be furnished only to a student who (A) is in need of the earnings from employment to pursue a course of study at such institution or to undertake a period of full-time on-the-job training required by his course of study at such institution, (B) is capable, in the opinion of the institution, of maintaining good standing in such course of study while employed under the program covered by the agreement, and (C) has been accepted for enrollment as a full-time student at the institution, or in the case of a student already enrolled in and attending the institution, is in good standing and in full-time attendance at such institution;

"(3) provide that no student shall be employed under such work-study program for more than fifteen hours in any week in which classes in which he is enrolled are in session;

"(4) provide that, in each fiscal year during which the agreement remains in effect, the institution shall expend (from sources other than payments by the Commissioner under this part) for the employment of its students (whether or not in employment eligible for assistance under this part) an amount that is not less than its average annual expenditure for such employment during the three fiscal years preceding the fiscal year in which the agreement is entered into;

"(5) provide for payment by the Commissioner, within the limits of the applicable allocation with respect to such institution under section 232 (b), of the Commissioner's share of the compensation of each student employed in the work-study program in accordance with the agreement, which share shall be 100 per centum of such compensation for employment prior to July 1, 1966, and 75 per centum of such compensation for employment on that date and thereafter; and, subject to section 234, provide that the institution undertakes to act, if so requested by the Commissioner, as his agent for the payment of the Commissioner's share of the student's compensation;

"(6) provide that the Commissioner's share of the compensation of any student employed in the work-study program in accordance with the agreement shall not exceed for any calendar year or its equivalent, as determined under regulations of the Commissioner, (A) in the case of a student who is participating in a course of study at such institution, or who is participating in a program of full-time on-the-job training required by his course of study, during essentially all of such calendar year or its equivalent, $2,500 if he is a graduate or professional student or $1,250 if he is any other type of student, or (B) in the case of a student who is so participating during substantially less than such calendar year or its equivalent, as determined under regulations of the Commissioner, $2,000 if he is a graduate or professional student or $1,000 if he is any other type of student;

"(7) provide for the making of such reports, in such form and containing such information, as the Commissioner may reasonably require to carry out his functions under this part, and for the keeping of such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports;

"(8) include such other provisions as may be necessary to carry out the purposes of this part and as are agreed to by the Commissioner and the institution; and

"(9) include provisions designed to make work financed under the program covered by the agreement, or equivalent work offered by the institution, reasonably available (to the extent of available funds) to all eligible students in the institution in need thereof.

"PAYMENTS TO STUDENTS

"SEC. 234. (a) The Commissioner's share of a student's compensation for work performed in employment covered by an agreement under this part may be paid directly by him to the student; or it may be paid through the institution making such agreement as paying agent for the Commissioner. If the institution is utilized as paying agent, the Commissioner's share may be paid to the institution in advance or by way of reimbursement, in accordance with regulations prescribed by the Commissioner, and the Commissioner may authorize the institution to combine the Commissioner's share and the remainder, if any, of the student's compensation in a single payment to the student.

"(b) Regardless of the method of payment under this section, students employed in a work-study program covered by an agreement under this part shall not by reason of such employment be deemed employees of the United States, or their service Federal service, for any purpose.

"(c) Nothing in this part shall be construed as restricting the source (other than this part) from which the institution may pay its share of the compensation of a student employed in accordance with an agreement under this part.

"(d) Financial transactions of the Commissioner pursuant to this part, and vouchers approved by him in connection with such financial transactions, shall be final and conclusive upon all officers of the Government; except that all such transactions shall be subject to audit by the General Accounting Office at such times and in such manner as the Comptroller General may by regulation prescribe."

TITLE I, S. 580

TITLE I—EXPANSION OF OPPORTUNITIES FOR INDIVIDUALS IN HIGHER EDUCATION

Part A—Student Loans

APPROPRIATIONS AUTHORIZED

Sec. 101. The first sentence of section 201 of the National Defense Education Act of 1958 (20 U.S.C. 421) is amended by striking out "$90,000,000 each for the fiscal year ending June 30, 1962, and for the two succeeding fiscal years, and such sums for the fiscal year ending June 30, 1965, and each of the three succeeding fiscal years as may be necessary to enable students who have received a loan for any school year ending prior to July 1, 1964, to continue or complete their education" and inserting in lieu thereof "$90,000,000 each for the fiscal year ending June 30, 1962, and the next fiscal year, $135,000,000 for the fiscal year ending June 30, 1964, and such sums for each of the next six fiscal years as the Congress may determine, except that the sums so appropriated for the fiscal year ending June 30, 1967, and each of the next three fiscal years shall be only those which are necessary to enable students who have received loans for school years ending prior to July 1, 1966, to continue or complete their education".

ALLOTMENTS TO STATES

SEC. 102. Section 202 of the National Defense Education Act of 1958 (20 U.S.C. 422) is amended by striking out "1964" wherever it appears therein and inserting in lieu thereof "1966".

PAYMENT OF FEDERAL CAPITAL CONTRIBUTIONS

SEC. 103. Effective with respect to fiscal years beginning after June 30, 1963, section 203 of the National Defense Education Act of 1958 is further amended by striking out subsection (b) and by striking out "(a)" after "SEC. 203.".

CONDITIONS OF AGREEMENTS

SEC. 104. (a) Subparagraph (4) (A) of section 204 of the National Defense Education Act of 1958 is amended by inserting ", or in institutions of higher education" after "in elementary or secondary schools".

(b) The amendment made by this subsection shall apply to the selection of students under title II of the National Defense Education Act of 1958 made in or after the second month following the month in which this Act is enacted.

TERMS OF LOANS

SEC. 105. (a) Subsection (a) of section 205 of the National Defense Education Act of 1958 is amended to read as follows:

"(a) The total of the loans for any academic year or its equivalent, as determined under regulations of the Commissioner, made by institutions of higher education from loan funds established pursuant to agreements under this part may not exceed $2,500 in the case of any graduate or professional student (as defined in regulations of the Commissioner), or $1,000 in the case of any other student. The aggregate of the loans for all years from such funds may not exceed $10,000 in the case of any graduate or professional student (as so defined, and including any loans from such funds made to such person before he became a graduate or professional student), or $5,000 in the case of any other student."

(b) (1) Subparagraph (1) (C) of subsection (b) of such section 205 is amended by striking out "either as an undergraduate or graduate student" and inserting in lieu thereof "as an undergraduate, graduate, or professional student".

(2) Subparagraph (2(A) (i) of such subsection (b) of such section 205 is amended by inserting "or at a comparable institution outside the States approved for this purpose by the Commissioner" after "at an institution of higher education".

(3) Subparagraph (3) of such subsection (b) of such section 205 is amended to read as follows:

"(3) for service as a full-time teacher in a public or nonprofit private elementary or secondary school in a State or in an institution of higher education, there shall be canceled not to exceed 50 per centum of the amount of any such loan plus interest thereon, which was unpaid on the first day of such service, (A) at the rate of 25 per centum for each complete academic year, or its equivalent (as determined under regulations of the Commissioner), of such service in the case of a person who, at some time during the two-year period preceding his attendance at an institution of higher education to pursue the course of study in connection with which the loan was made, was engaged as a full-time teacher in a public or nonprofit private elementary or secondary school in a State or in an institution of higher education, or (B) at the rate of 10 per centum for each complete academic year, or its equivalent (as so determined), of such service in the case of any other person;".

(c) The amendment made by subsection (a) shall apply for purposes of determining the amount of any loans under title II of the National Defense Education Act of 1958 for academic years beginning after the date of enactment of this Act. The amendment made by paragraph (2) of subsection (b) shall apply to any loan (under an agreement under title II of the National Defense Education Act of 1958) outstanding on the date of enactment of this Act only with the consent of the institution which made the loan. The amendment made by paragraph (3) of subsection (b) shall apply with respect to service as a teacher (described in such section 205(b)(3) of the National Defense Education Act of 1958) performed during academic years beginning after the enactment of this Act, whether the loan was made before or after such enactment.

DISTRIBUTION OF ASSETS FROM STUDENT LOAN FUNDS

SEC. 106. Section 206 of the National Defense Education Act of 1958 (20 U.S.C. 426) is amended by striking out "1968" wherever it appears therein and inserting in lieu thereof "1970".

NATIONAL STUDY TO DETERMINE REASONS WHY ABLE STUDENTS FAIL TO ATTEND OR COMPLETE COLLEGE

SEC. 107. (a) The Commissioner shall, directly or by contract, conduct a study (1) on the extent to which students with the capacity to obtain a baccalaureate degree fail to attend institutions of higher education or leave before obtaining such a degree; and (2) as to the reasons therefor, with particular attention to the need for a Federal program of scholarship grants to aid students who fail to attend such institutions or to continue their studies because of financial need.

(b) The Commissioner shall submit a report of his findings made pursuant to the study carried out under this section, together with such recommendations as he may deem appropriate, to the Secretary of Health, Education, and Welfare for transmission to the Congress within two years after the date of enactment of this section.

PART B—INSURANCE OF STUDENT LOANS

SEC. 121. (a) Title II of the National Defense Education Act of 1958, as amended, is further amended by strik-

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ing "TITLE II—LOANS TO STUDENTS IN INSTITUTIONS OF HIGHER EDUCATION" as it appears as the heading of that title, and inserting in lieu thereof,

"TITLE II—LOANS, LOAN INSURANCE, AND WORK-STUDY PROGRAMS FOR STUDENTS IN INSTITUTIONS OF HIGHER EDUCATION

"PART A—LOANS TO STUDENTS IN INSTITUTIONS OF HIGHER EDUCATION"

(b) The words "this part" are substituted for "this title" wherever the latter words may appear in sections 201 to 209, inclusive, of that Act.

(c) There is inserted, immediately following such section 209, the following:

"PART B INSURANCE OF LOANS TO STUDENTS IN INSTITUTIONS OF HIGHER EDUCATION

"SCOPE AND DURATION OF LOAN INSURANCE PROGRAM

"SEC. 211. (a) For the purpose of facilitating loans to students in institutions of higher education, eligible lenders may be insured by the Commissioner, on behalf of the United States, against losses on loans made by them to such students, on or after July 1, 1963, if made upon the conditions and within the limits specified in this part. The total principal amount of new loans to students covered by insurance under this part in any fiscal year ending before July 1, 1966, shall not exceed $25,000,000 in the fiscal year ending June 30, 1964, $50,000,000 in the fiscal year ending June 30, 1965, and $75,000,000 in the fiscal year ending June 30, 1966. Thereafter, insurance pursuant to this part may be granted only for loans made (or for loan installments paid pursuant to lines of credit as defined in section 212) to enable students, who have obtained prior loans insured under this part, to continue or complete their educational program; but no insurance may be granted for any such loan made or installment paid after June 30, 1970.

"(b) The Commissioner may, if he finds it necessary to do so in order to assure an equitable distribution of the benefits of this part, assign, within the maximum amounts specified in subsection (a), insurance quotas applicable to eligible lenders, or to States or areas, and may from time to time reassign unused portions of such quotas. For purposes of this part, the term 'eligible lender' means an institution of higher education, or a financial or credit institution (including an insurance company) which is subject to examination and supervision by an agency of the United States or of any State.

"LIMITATIONS ON INDIVIDUAL LOANS AND ON INSURANCE

"SEC. 212. (a) No loan or loans by one or more eligible lenders in excess of $2,000 in the aggregate to any student in any academic year or its equivalent shall be covered by insurance under this part, and the aggregate insured unpaid principal amount of all loans made to any student shall not exceed $10,000 at any time. The annual insurable limit per student shall not be deemed to be exceeded by a line of credit under which actual payments by the lender to the borrower will not be made in any year in excess of such annual limit. As used in this section and hereinafter in this part, the term 'line of credit' means an arrangement or agreement between the lender and the borrower whereby a loan is paid out by the lender to the borrower in annual installments, or whereby the lender agrees to make, in addition to the initial loan, additional loans in subsequent years.

"(b) The insurance liability on any loan insured under this part shall be limited to 90 per centum of the unpaid balance of such loan, including 90 per centum of the interest accrued and unpaid.

"SOURCES OF FUNDS

"SEC. 213. Loans made by eligible lenders in accordance with this part shall be insurable whether made from funds fully owned by the lender or from funds held by the lender in a trust or similar capacity and available for such loans.

"ELIGIBILITY OF STUDENT BORROWERS AND TERMS OF STUDENT LOANS

"SEC. 214. A loan by an eligible lender shall be insurable under the provisions of this part only if—

"(a) made to a student who has been accepted for enrollment as a full-time student at such institution or, in the case of a student already attending such institution, is in good standing and in full-time attendance there as an undergraduate, graduate, or professional student, as determined by the institution, and

"(b) evidenced by a note or other written agreement which (1) is made without security and without endorsement, except that if the borrower is a minor and such note or other written agreement executed by him would not, under the applicable law, create a binding obligation, endorsement may be required, (2) provides for repayment of the principal amount of such loan in installments over a ten-year period (or such other period as may be authorized by regulation of the Commissioner) beginning (except in the event of default in the payment of interest or in payment of the cost of insurance premiums, or other default by the borrower) (A) not earlier than one year following the date on which the student ceases to devote essentially full time to educational work in attendance at any institution of higher education, or (B) if sooner, and if agreed upon between the borrower and the lender, not earlier than one year following the date on which the student completes or ceases to pursue the full-time study program in which he was enrolled (or had been accepted for enrollment) for which he would, upon satisfactory completion, be entitled to receive an academic degree or similar certificate, (3) provides for interest on the unpaid balance of such loan at a yearly rate, not exceeding the applicable maximum rate as prescribed and defined by the Commissioner by or pursuant to regulation, which shall be payable in installments over the period of the loan except that, if provided in the note or other written agreement, payment of interest may be deferred until not later than the date upon which repayment of the first installment of principal falls due, in which case interest that has accrued during such period may be added on that date to the principal, (4) entitles the student borrower to accelerate repayment of the whole or any part of such loan, and (5) contains such other terms and conditions, consistent with the provisions of this part and with the regulations issued by the Commissioner pursuant to this part, as may be agreed upon by the parties to such loan, including, if agreed upon, a provision requiring the borrower to pay to the lender, in addition to principal and interest, amounts equal to the insurance premiums payable by the lender to the Commissioner with respect to such loan.

"CERTIFICATES OF INSURANCE—EFFECTIVE DATE OF INSURANCE—PREMIUMS

"SEC. 215. (a) If, upon application by an eligible lender, made upon such form, containing such information, and supported by such evidence as the Commissioner may require, and otherwise in conformity with this section, the Commissioner finds that the applicant has made a loan to an eligible student which is insurable under the provisions of this part, he may, upon tender by the applicant of the first year's insurance premium payable pursuant to subsection (d), issue to such applicant a certificate of insurance covering such loan and setting forth the amount and terms of such insurance.

"(b) Insurance evidenced by a certificate of insurance pursuant to subsection (a) shall become effective upon the date of issuance of such certificate, except that the Commissioner is authorized, in accordance with regulations, to issue commitments with respect to proposed loans, or with respect to lines (or proposed lines) of credit (as defined in section 212), submitted by eligible lenders, and in that event, upon compliance with subsection (a) by the lender, the certificate of insurance may be issued effective as of the date when any loan, or any payment by the lender pursuant to a line of credit, to be covered by such insurance was made. Such insurance shall cease to be effective upon thirty days' default by the lender in the payment of any installment of the premiums payable pursuant to subsection (d).

"(c) An application submitted pursuant to subsection (a) shall contain (1) an agreement by the applicant to pay, in accordance with regulations, the premiums fixed by the Commissioner pursuant to subsection (d), and (2) an agreement by the applicant that if the loan is covered by insurance the applicant will submit such supplementary reports and statements during the effective period of the loan agreement, upon such forms, at such times, and containing such information as the Commissioner may prescribe by or pursuant to regulation.

"(d) The Commissioner shall, pursuant to regulations, charge for insurance on each loan under this part a premium in an amount not to exceed one-fourth of 1 per centum per year of the unpaid balance of principal and accrued interest of such loan, payable in advance, at such time and in such manner as may be prescribed by the Commissioner. Such regulations may provide that such premium shall not be payable, or if paid shall be refundable, with respect to any period after default in the payment of principal or interest, or after the borrower has died or becomes totally and permanently disabled, if (1) notice of such default or other event has been duly given, and (2) request for payment of the loss insured against has been made or the Commissioner has made such payment on his own motion pursuant to section 216(a).

"(e) The rights of an eligible lender arising under insurance evidenced by a certificate of insurance issued to it under this section may be assigned as security by such lender only to another eligible lender, and subject to regulation by the Commissioner.

"(f) The consolidation of the obligations of two or more insured loans obtained by a student borrower in any fiscal year into a single obligation evidenced by a single instrument of indebtedness shall not affect the insurance by the United States. Upon surrender of the original certificates of insurance in such cases, the Commissioner may issue a new certificate of insurance in accordance with this section upon such consolidated obligation.

"PROCEDURE ON DEFAULT, DEATH, OR DISABILITY OF STUDENT

"SEC. 216. (a) Upon default by the student borrower on any loan covered by insurance pursuant to this part, or upon the death of the student borrower or a finding by the insurance beneficiary that the borrower has become totally and permanently disabled (as determined in accordance with regulations established by the Commissioner) before the loan has been repaid in full, and prior to the commencement of suit or other enforcement proceeding upon any security for such loan, the insurance beneficiary shall promptly notify the Commissioner, and the Commissioner shall if requested (at that time or after further collection efforts) by such beneficiary, or may on his own motion, if the insurance is still in effect, pay to the beneficiary, within the limits of liability specified in section 212 (b), the amount of the loss sustained by the insured upon such loan as soon as such amount has been determined. The 'amount of the loss' on any loan shall, for the purposes of this subsection, be deemed to be an amount equal to the unpaid balance of the loan, including interest accrued and unpaid on the date of payment by the United States on its insurance obligation, except that where the Commissioner has decided to make payment on his own motion the amount of the loss as so determined shall be deemed tentative and shall be increased by the excess, if any, over such tentative amount of any net recovery made by the Commissioner on such loan after deduction of the cost of such recovery (including reasonable administrative cost).

"(b) Upon payment by the Commissioner of the insured portion of the loss, or tentative amount of loss, pursuant to subsection (a), the United States shall be subrogated to the rights of the holder of the obligation upon the insured loan and be entitled to an assignment of the note

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or other evidence of the insured loan by the insurance beneficiary.

"(c) Nothing in this section or in this part shall be construed to preclude any forbearance for the benefit of the student borrower which may be agreed upon by the parties to the insured loan and approved by the Commissioner, or to preclude forbearance by the Commissioner in the enforcement of the insured obligation after payment on such insurance, or to require collection of the amount of any loan by the insurance beneficiary or by the Commissioner from the estate of a deceased borrower or from a borrower found by the insurance beneficiary to have become permanently and totally disabled.

"(d) Nothing in this section or in this part shall be construed to excuse the holder of a loan from exercising, in the making and collection of loans under the provisions of this part, the same care and diligence which would reasonably be used in making and collecting loans not insured. If the Commissioner, after reasonable notice and opportunity for hearing to an eligible lender, finds that it has substantially failed to exercise such care and diligence, or to make the reports and statements required under section 215(c), or to pay the required insurance premiums, he shall disqualify such lender for further insurance on loans granted pursuant to this part until he is satisfied that such failure has ceased and finds that there is reasonable assurance that the lender will in the future exercise necessary care and diligence or comply with such requirements, as the case may be.

"(e) As used in this section, the term 'insurance beneficiary' means the insured or its authorized assignee, if the certificate of insurance is held by such assignee.

"REVOLVING INSURANCE FUND

"SEC. 217. (a) There is hereby established a Student Loan Insurance Fund (hereafter in this section called the 'Fund') which shall be available without fiscal year limitation to the Commissioner for carrying out the provisions of this part, and the Commissioner is hereby authorized to transfer to the Fund from time to time from the appropriations provided under subsection (b) of this section such sums as he deems necessary to provide capital for the Fund. All amounts received by the Commissioner as premium charges for insurance and as receipts, earnings, or proceeds derived from any claim or other assets acquired by the Commissioner in connection with his operations under this part, and any other moneys, property, or assets derived by the Commissioner from his operations in connection with this section, shall be deposited in the Fund. All expenses under this part shall be paid from the Fund, including (within the limits authorized from year to year in appropriation Acts to be paid for such purpose from the Fund) all administrative expenses which the Commissioner determines are reasonably attributable to his operations under this part. Moneys in the Fund not needed for current operations under this section may be invested in bonds or other obligations guaranteed as to principal and interest by the United States. If at any time the Commissioner determines that capital surplus and reserves of the Fund exceed the present and any reasonably prospective future requirements of the Fund, such excess may be deposited in the Treasury as miscellaneous receipts.

"(b) (1) For the purpose of carrying out the provisions of this part, there are authorized to be appropriated for transfer to the Fund, pursuant to subsection (a) of this section—

"(A) the sum of $500,000; and

"(B) such further sums, if any, as may become necessary for the adequacy of the Fund.

Any sums appropriated under this subsection shall remain available until expended.

"(2) Interest shall accrue to the Treasury on outstanding capital resulting from transfers to the Fund from appropriations under paragraph (1) of this subsection. The rate of such interest with respect to each such transfer shall be determined by the Secretary of the Treasury, taking into consideration the current average market yield, during the month preceding such transfer, on outstanding marketable obligations of the United States having maturities comparable to those of loans insured under this part. From time to time and at least at the close of each fiscal year, the Commissioner shall pay to the Treasury, as miscellaneous receipts, all accrued interest.

"(3) If at any time the moneys in the Fund (including any appropriation available for transfer to the Fund pursuant to this section) are insufficient to make payments in connection with the default of any loan insured under this part, the Commissioner is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Commissioner with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued hereunder and for such purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this paragraph. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. Sums borrowed under this paragraph shall be deposited in the Fund and redemption of such notes and obligations shall be made by the Commissioner from such Fund.

"LEGAL POWERS AND RESPONSIBILITIES

"SEC. 218. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this part, the Commissioner may—

"(1) prescribe such regulations as may be necessary to carry out the purposes of this part;

"(2) sue and be sued in any court of record of a State having general jurisdiction or in any district court of the United States, and such district courts shall have jurisdiction of civil actions arising under this part without regard to the amount in controversy, and any action instituted under this subsection by or against the Commissioner shall survive notwithstanding any change in the person occupying the office of Commissioner or any vacancy in such office; but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Commissioner or property under his control, and nothing herein shall be construed to except litigation arising out of activities under this part from the application of sections 507 (b) and 2679 of title 28 of the United States Code and of section 367 of the Revised Statutes (5 U.S.C. 316);

"(3) include in any contract for insurance such terms, conditions, and covenants relating to repayment of principal and payment of interest, relating to his obligations and rights and to those of eligible lenders, and borrowers in case of default, and relating to other matters as the Commissioner determines to be necessary to assure that the purposes of this part will be achieved; and any term, condition, and covenant made pursuant to this clause or any other provision of this part may be modified by the Commissioner if he determines such modification is necessary to protect the financial interest of the United States;

"(4) subject to the specific limitations in this part, consent to the modification, with respect to rate of interest, time of payment of any installment of principal and interest or any portion thereof, or any other provision, of any note or other instrument evidencing a loan which has been insured under this part;

"(5) enforce, pay, or compromise, any claim on, or arising because of, any such insurance; and

"(6) enforce, pay, compromise, waive, or release any right, title, claim, lien, or demand, however acquired, including any equity or any right of redemption.

"(b) The Commissioner shall, with respect to the financial operations arising by reason of this part—

"(1) prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act;

"(2) maintain an integral set of accounts, which shall be audited annually by the General Accounting Office in accordance with principles and procedures applicable to commercial corporate transactions, as provided by section 105 of the Government Corporation Control Act with respect to insurance under this part, except that the transactions of the Commissioner, including the settlement of insurance claims, and transactions related thereto and vouchers approved by the Commissioner in connection with such transactions, shall be final and conclusive upon all accounting and other officers of the Government."

Part C—Student Work-Study Programs

Sec. 141. (a) Title II of the National Defense Education Act of 1958, as amended, is further amended by inserting immediately following part B (as added by section 121 of this Act) the following new part:

"Part C—Work Assistance for Students in Institutions of Higher Education

"APPROPRIATIONS AUTHORIZED

"Sec. 221. For the purpose of enabling the Commissioner to stimulate and promote the part-time employment, by institutions of higher education, of their students who are in need of the earnings from such employment to pursue courses of study at such institutions, there are authorized to be appropriated $22,500,000 for the fiscal year ending June 30, 1964, and such sums as the Congress may determine for each of the next two fiscal years. Sums appropriated under this section for any fiscal year shall be available, in accordance with agreements between the Commissioner and institutions of higher education, for payment by the Commissioner of one-half of the compensation of students employed under work-study programs covered by such agreements for such fiscal year.

"APPORTIONMENT OF FUNDS

"Sec. 222. For the purpose of determining the maximum amount that may be paid by the Commissioner under this part as compensation to students at each participating institution of higher education, the Commissioner shall apportion the amount appropriated pursuant to section 221 for any fiscal year as follows:

"(a) The Commissioner shall allot to each State an amount which bears the same ratio to the amount so appropriated as the number of persons enrolled on a full-time basis in institutions of higher education in such State bears to the total number of persons enrolled on a full-time basis in institutions of higher education in all of the States. The number of persons enrolled on a full-time basis in institutions of higher education for the purposes of this section shall be determined by the Commissioner for the most recent year for which satisfactory data are available to him.

"(b) In order to allocate the amount so allotted to any State among institutions of higher education in such State with which he has agreements under this part and which meet the requirements established in his regulations under this part, the Commissioner shall from time to time set dates by which such institutions must file application for such allocations. In the event that the total requested in such applications from such institutions in a State exceeds the amount of the allotment of such State available for such purpose, the allocation from such allotment to each such institution shall bear the same ratio to the amount requested in its application as the amount of such allotment available for such purpose bears to the total requested in all such applications. In the event the total requested in such applications from such institutions in a State is less than the amount of the allotment of such State available for such purpose, the Commissioner may reallot the remaining amount from time to time, on such date or dates as the Commissioner may fix, to other States in proportion to the original allotments to such States under subsection (a) for such year, and may allocate such reallotted amounts among participating institutions in such other States.

"CONDITIONS OF AGREEMENTS

"SEC. 223. An agreement with any institution of higher education under this part shall—

"(1) provide for the operation by the institution of a program for the part-time employment of its students in work of an educational character or having a substantial educational content;

"(2) provide that employment under such work-study program shall be furnished only to a student who (A) is in need of the earnings from employment to pursue a course of study at such institution, (B) is capable, in the opinion of the institution, of maintaining good standing in such course of study while employed under the program covered by the agreement, and (C) has been accepted for enrollment as a full-time student at the institution, or in the case of a student already enrolled in and attending the institution, is in good standing and in full-time attendance there either as an undergraduate, graduate, or professional student;

"(3) provide that no student shall be employed under such work-study program for more than fifteen hours in any week in which classes in which he is enrolled are in session;

"(4) provide that, in each fiscal year during which the agreement remains in effect, the institution shall expend (from sources other than payments by the Commissioner under this part) for the employment of its students (whether or not in employment eligible for assistance under this part) an amount that is not less than its average annual expenditure for such employment during the three fiscal years preceding the fiscal year in which the agreement is entered into;

"(5) provide for payment by the Commissioner, within the limits of the applicable allocation with respect to such institution under section 222(b), of one-half (hereafter in this part referred to as the Commissioner's share) of the compensation of each student employed in the work-study program in accordance with the agreement, but not to exceed $500 as the Commissioner's share in the case of any undergraduate student, or $1,000 in the case of any graduate or professional student, in any academic year or its equivalent; and, subject to section 224, provide that the institution undertakes to act, if so requested by the Commissioner, as his agent for the payment of the Commissioner's share of the student's compensation;

"(6) provide for the making of such reports, in such form and containing such information, as the Commissioner may reasonably require to carry out his functions under this part, and for the keeping of such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports;

"(7) include such other provisions as may be necessary to carry out the purposes of this part and as are agreed to by the Commissioner and the institution; and

"(8) include provisions designed to make work financed under the program covered by the agreement, or equivalent work offered by the institution, reasonably available (to the extent of available funds) to all eligible students in the institution in need thereof.

"PAYMENTS TO STUDENTS

"SEC. 224. (a) The Commissioner's share of a student's compensation for work performed in employment covered by an agreement under this part may be paid directly by him to the student; or it may be paid through the employing institution as paying agent for the Commissioner. If the institution is utilized as paying agent, the Commissioner's share may be paid to the institution in advance or by way of reimbursement, in accordance with regulations prescribed by the Commissioner, and the Commissioner may authorize the institution to combine the Commissioner's share and the remainder of the student's compensation in a single payment to the student.

"(b) Regardless of the method of payment under this section, students employed in a work-study program covered by an agreement under this part shall not by reason of such employment be deemed employees of the United States, or their service Federal service, for any purpose.

"(c) Nothing in this part shall be construed as restricting the source (other than this part) from which the institution may pay its share of the compensation of a student employed in accordance with an agreement under this part.

"(d) Financial transactions of the Commissioner pursuant to this part, and vouchers approved by him in connection with such financial transactions, shall be final and conclusive upon all officers of the Government; except that all such transactions shall be subject to audit by the General Accounting Office at such times and in such manner as the Comptroller General may by regulation prescribe."

PART D—GRADUATE FELLOWSHIPS

NUMBER OF FELLOWSHIPS

SEC. 161. Effective July 1, 1963, section 402 of the National Defense Education Act of 1958 (20 U.S.C. 462) is amended to read as follows:

"NUMBER OF FELLOWSHIPS

"SEC. 402. (a) (1) During the fiscal year ending June 30, 1964, and each of the two succeeding fiscal years, the Commissioner is authorized to award ten thousand fellowships to be used for study in graduate programs at institutions of higher education. Such fellowships may be awarded for such periods of study, not in excess of three academic years, as the Commissioner may determine.

"(2) In addition to the number of fellowships authorized to be awarded by paragraph (1) of this subsection, the Commissioner is authorized to award fellowships equal to the number previously awarded during any fiscal year under this subsection but vacated prior to the end of the period for which they were awarded; except that each fellowship awarded under this paragraph shall be for such period of study, not in excess of the remainder of the period for which the fellowship which it replaces was awarded, as the Commissioner may determine.

"(b) During the fiscal year ending June 30, 1964, and each of the two succeeding fiscal years, the Commissioner is authorized to award two thousand fellowships for study during summer sessions in graduate programs at institutions of higher education."

AWARD OF FELLOWSHIPS AND APPROVAL OF INSTITUTIONS

SEC. 162. (a) The first sentence of subsection (a) of section 403 of the National Defense Education Act of 1958 (20 U.S.C. 463) is amended to read as follows: "Of the total number of fellowships authorized by section 402 (a) (1) to be awarded during a fiscal year (A) not less than one thousand five hundred shall be awarded to individuals accepted for study in graduate programs approved by the Commissioner under this section, and (B) the remainder shall be awarded on such bases as he may determine." The second sentence of such subsection (a) is amended by striking out all that follows clause (2), and by striking out ", and" at the end of clause (2) and inserting in lieu thereof a period.

(b) Subsection (b) of such section 403 is amended by striking out "this title" and inserting in lieu thereof "subsection (a) of this section".

(c) Such section 403 is further amended by adding at the end thereof the following new subsections:

"(c) A fellowship authorized to be awarded under subsection (b) of section 402 may be awarded by the Commissioner only to an individual who did not hold a fellowship, under this part or under any other Federal program, for the preceding academic year and is not expected to hold one for the succeeding academic year and who (1) during the preceding or succeeding academic year, was (or is expected to be) devoting essentially full time to study or research in the field in which such fellowship is awarded in an institution of higher education and was not (or is not expected to be) engaging in gainful employment other than part-time employment by such institution in teaching, research, or similar activities approved by the Commissioner or (2) was serving as a teacher in an institution of higher education during the preceding academic year.

"(d) In the selection of recipients for fellowships under this part, preference shall be given to persons who are interested in teaching, or continuing to teach, in institutions of higher education or who are pursuing a course of study leading to a degree of doctor of philosophy or an equivalent degree."

(d) The amendments made by this section shall be become effective July 1, 1963.

FELLOWSHIPS STIPENDS

Sec. 163. (a) Section 404 of the National Defense Education Act of 1958 (20 U.S.C. 464) is amended to read as follows:

"FELLOWSHIP STIPENDS

"Sec. 404. (a) Persons awarded fellowships under this part shall receive stipends, including allowances for dependents, in such amounts as may be prescribed by the Commissioner from time to time pursuant to regulations.

"(b) In addition to the amounts paid to persons pursuant to subsection (a), there shall be paid to the institution of higher education at which any such person is pursuing his course of study such amount as the Commissioner determines and specifies in regulations after considering the average cost of educating various categories of such fellows at institutions of higher education. Any amount which an institution of higher education charges a person holding a fellowship under this part for tuition or other required fees shall be deducted from payments made to such institution under this subsection, and the amount so deducted shall be added to the stipend to which such person is entitled under subsection (a) of this section."

(b) The amendment made by this section shall apply in the case of stipends and payments to institutions of higher education under section 404 of the National Defense Education Act of 1958 which are paid for academic years or summer sessions beginning after the enactment of this Act.

TREASURY DEPARTMENT,
Washington, D.C., March 5, 1964.

Hon. LISTER HILL,
Chairman, Committee on Labor and Public Welfare,
U.S. Senate, Washington, D.C.

MY DEAR MR. CHAIRMAN: This is with reference to your request for a report on S. 2490 which would provide assistance for students in higher education by increasing the amount authorized for loans under the National Defense Education Act of 1958 and by establishing programs for scholarships, loan insurance, and work-study.

The Treasury is aware of the great need for expanding educational opportunities and favors those fiscally responsible measures which will most effectively accomplish this objective.

In connection with the pending tax bill consideration was given to amendments which would have provided tax credits or deductions for certain college expenses. As you know, the Treasury Department opposed these amendments. In a report to the Senate Finance Committee the Department stated there are several possible methods by which the Federal Government can provide assistance to those seeking higher education and that full consideration of these various methods is essential. The Department expressed the belief that Federal assistance by measures other than tax provisions is a much more efficient and equitable method of aid, and that the use of the tax system to attempt to provide assistance might interfere with other more effective, equitable, and desirable proposals, such as the programs of direct aid to students now under consideration by the Subcommittee on Education. For this reason, the Department recommended that consideration of all the methods of providing assistance should be coordinated and full public hearings should be held on the proposals so that all interested parties could be afforded an opportunity to be heard.

In connection with the Senate debate on proposals for aiding students through tax measures, S. 2490 was offered by Senator Hartke as an alternative. Also, during the debate the chairman of the Education Subcommittee of the Labor and Public Welfare Committee indicated that it would not be proper for the Senate to make a decision on these proposals until the subcommittee has had an opportunity to hold hearings on how best to provide student aid. At the same time, he announced that the subcommittee would immediately begin hearings on the guaranteed student loan proposal and other provisions of S. 580 relating to student aid on which action has not yet been taken and on S. 2490.

We are glad to have this opportunity to state some of the reasons why the Treasury opposes tax credits or deductions as a means of assisting students. We also wish to give the Treasury's strong endorsement to the kinds of direct aid measures included in S. 580 and S. 2490.

The Treasury is constantly presented with proposals to accomplish all sorts of desirable social objectives through the tax system. In general, these objectives can be accomplished more effectively and economically by other means. An important advantage of direct means, as compared with tax allowances, is that the Congress retains control of the amount of aid through the appropriation process and can distribute the aid where needed most.

Sponsors of tax allowances for college expenses place emphasis on different objectives. Some present them as an educational measure designed (1) to assist students who are seeking higher education and (2) to give indirect assistance to institutions of higher education by making possible tuition increases (thereby providing an alternative to direct aid to such institutions or a supplement to direct aid). Others present them as a tax measure intended to give relief to middle income families with children in college.

The Treasury believes that tax allowances for college expenses have great deficiencies as either a tax measure or an educational measure. A principal objection to tax allowances is that a deduction or credit for college expenses, regardless of its form, will not give relief where it is most needed and, therefore, will not expand educational opportunity. Nontaxable persons and taxpayers with insufficient tax liability to take full advantage of the tax allowance would obtain little or no benefit. Large families with low income would receive little or no benefit while families of fairly substantial means who would send their children to college in any event would get the most relief.

While the Treasury recognizes that the high costs of college education impose heavy burdens on families with children in college, we agree with the Department of Health, Education, and Welfare that the available Federal resources should be used to assure that, insofar as possible, no capable student will be denied the opportunity for education beyond high school because of his or his parents' inability to meet the financial burden. Tax allowances would contribute little to the achievement of this objective. It would be difficult to justify a provision of hundreds of millions of dollars of tax relief to families with children in college while as many as 120,000 or more qualified students each year are prevented from going to college, primarily because of inadequate financial resources.

The tax credit proposal which was considered by the Senate was an extremely costly proposal. The Treasury believes that the loss to the Federal Government of so substantial an amount ($750 million at current levels and $1.3 billion by 1970) as would have resulted from the tax credit would affect the amount of Federal funds available for other forms of aid to higher education. In connection with consideration of other possible forms of aid such as continuation and expansion of the National Defense Education Act student loan program, establishment of a work-study program, or an undergraduate scholarship program, the Congress would certainly take account of the fact that $750 million had been provided in the name of student aid through the tax credit. This would be true regardless of the fact that the aid provided under the tax credit might be distributed in a very different manner than the various other forms of aid. As the chairman of the Education Subcommittee indicated during the debate on the tax credit amendment, Congress can be taken "up the line" only so many times in a certain period of time on the question of passing proposed legislation in a particular field.

Among the various student aid measures under consideration by the subcommittee, the Treasury has had a particular interest in the approach entailing an educational loan insurance program. This proposed program, following in the pattern of the tested and highly successful mortgage and other loan insurance programs, can provide the needed catalyst for bringing the vast financial resources of existing lending institutions to bear on the problem of assuring educational opportunities for every student able and willing to undertake higher education. Just as mortgage insurance has, on a self-supporting basis, helped channel a vastly increased supply of funds into homebuilding and brought home ownership within reach of most of our families, Federal insurance of loans for higher education can be a major step toward providing funds for self-reliant college students on terms suited to their special needs. There are precedents for this loan insurance program in various States and in one growing privately sponsored plan. These programs, while limited in size, provide ample evidence of the feasibility and usefulness of this kind of assistance. The need today is to achieve much broader, national coverage, and to do so promptly and effectively.

A great advantage of this program, as a supplement to more specialized and necessarily costly types of assistance, is that any full-time student with passing grades would be eligible for a loan. Eligibility for such insured loans would be based only on full-time enrollment and continuation of satisfactory academic progress. The education would itself, by increasing earning capacity, provide the means for paying off the loan.

This guaranteed loan program would reach the legitimate needs of students from middle income families, as well as low income families, faced with raising within a relatively short period of time the funds necessary to finance a college education. By borrowing at reasonable rates over a period of years these college costs can be spread over a period of time which will permit repayment in line with current earning capacity.

In assessing the need and potential usefulness of this kind of program, it should be emphasized that students do not need to borrow the full cost of a college education. Most people are surprised, for instance, to find that the average loan under the existing National Defense Education Act program is $500, well under the $1,000 maximum limitation on a loan. This is because students obtain a large proportion of needed funds through employment, scholarships, and other sources, and the loans typically serve to supplement these sources, rather than to finance the entire cost. A survey of student borrowers under the National Defense Education Act student loan program shows that more than half finance three-fourths or more of their college expenses from sources other than their families' incomes; 30 percent finance their entire college costs out of jobs, loans, and scholarships. Census data on sources of financial support for all students enrolled in college in October 1959 indicate that only about 28 percent relied on parents only. For 21 percent of all students, their own work or savings was the sole source of support; for another 7 percent, scholarships and their own work were the only sources of support. About 30 percent combined their own work and/or scholarships with some family assistance. By supplementing other sources of funds and enabling potential students to close the gap between resources and expenses, the insured loan program will make it possible for them to undertake and complete an education that for lack of a few hundred dollars a year might not otherwise be feasible.

Clearly, the program is not a substitute for, or competitive with, other forms of aid for the specially needy and gifted student. Rather, it is a broadly based supplement, available to all students and families willing to accept the responsibility of using credit constructively in their own interest, as well as that of the Nation, by making an investment in education—an investment that should be repaid many times over.

No program of grants and subsidies—useful as they are in meeting the specific needs of the specially gifted or needy—can be expected to do the entire job alone, nor should they when private funds are available to be mobilized, and the potential returns to the borrower are as high as they are in education. Costs of college education are high, and Government should accept a responsibility to assist in enabling responsible families in the middle, as well as the lower income, brackets to spread these costs over time. A tested technique for accomplishing that result by enabling private lenders to do a better job is incorporated in this bill.

We believe this bill can go a long way toward meeting the needs and concern expressed by so many respecting financial assistance to those seeking higher education.

With respect to the total package of aid proposed by S. 580 and S. 2490, officials of the Department of Health, Education, and Welfare are, of course, better equipped to discuss the relative needs and the most appropriate forms of financial aid for meeting them, including the appropriate allocation of any federally allocated funds among the various forms of aid. We would point out, however, that the insured loan program and work-study program proposed in S. 580 involve only small amounts of Federal appropriations in the 1965 budget. S. 2490, which provides for expansion of National Defense Education Act loans, loan insurance, work-study programs, and undergraduate scholarships, would involve less than half the cost of the tax credit for college expenses considered by the Senate and at the same time would appear to be more precisely directed toward real needs. All of these forms of aid appear to the Treasury to be far preferable to the use of the tax system in combining fiscal responsibility with effectiveness.

In endorsing the objectives and nature of this package of educational aid measures, we should point out the relationship of the existing National Defense Education Act program, if considered as a program of direct Federal loans to student borrowers, to the general guidelines set forth by the report of the Committee on Federal Credit Programs approved by President Kennedy last year. Student loans under the expanded National Defense Education Act program, as proposed by S. 580 and S. 2490, would continue to be provided through participating institutions at a fixed 3-percent rate, following the terms of legislation enacted in 1958. The Committee on Federal Credit Programs concluded that in general fixed rates of interest introduced an arbitrary element of rigidity into the administration of direct lending programs, tending to obscure the proper evaluation of their cost in relation to benefits and to provide varying amounts of subsidy over time in relation to prevailing costs and market rates.

Instead of such fixed rates, the Committee suggested, among its guidelines, that the practice generally be followed, when establishing new programs or making substantial changes in existing programs, of relating the rate charged to current yields on Treasury securities of comparable maturity. That practice is incorporated in the direct loan program for medical and dental students introduced last year and in the similar program for student nurses presently proposed, as well as in credit programs in a variety of other areas.

This Department does not feel that application of this concept would be appropriate at this time at the expense of delaying consideration of the present proposals for simply extending a successfully operating program. Rather, exploration of the feasibility and desirability of a change in this respect could be adequately considered and studied only in relation to other administrative arrangements in the National Defense Education Act program, which has successfully developed and functioned through large numbers of institutions administering what are, in effect, separate loan programs on the basis of Federal capital contributions. At this time, we simply wish to make note of the relevance of this matter when substantive changes in the program might be under consideration in the continuing effort to assure maximum effectiveness of the National Defense Education Act program. In setting forth this matter for consideration at an appropriate time, we should also make clear that we are not suggesting that the Government should not properly absorb whatever portion of the interest and other costs may be appropriate to assure effective accomplishment of the objectives of the student loan program.

The Bureau of the Budget has advised the Treasury Department that there is no objection from the standpoint of the administration's program to the presentation of this report.

Sincerely yours,

STANLEY S. SURREY,
Assistant Secretary.

Mr. MORSE. Upon conclusion of the testimony taken this morning, the subcommittee will recess until a date to be announced later in this month, at which time public witnesses will be heard. It is to be hoped that later on, early in March, the subcommittee might meet in executive session on educational bills.

We are happy to have you with us this morning, Senator Hartke. You may proceed in your own way.

STATEMENT OF HON. VANCE HARTKE, A U.S. SENATOR FROM THE STATE OF INDIANA; ACCOMPANIED BY CLAIR M. COOK, TH. D., LEGISLATIVE ASSISTANT TO SENATOR HARTKE

Senator HARTKE. Thank you, Mr. Chairman. I want to thank you for giving me an opportunity to appear before you.

I would like to begin my statement in support of S. 2490, the Higher Education Student Assistance Act of 1965, which I introduced on February 3, 1964, by quoting from President Kennedy's statement to the Congress in his message on education dated January 29, 1963. He said:

> Our present American educational system was founded on the principle that opportunity for education in this country should be available to all—not merely to those who have the ability to pay * * *. Now a veritable tidal wave of students is advancing inexorably on our institutions of higher education, where the annual costs per student are several times as high as the cost of a high school education, and where these costs must be borne in large part by the student or his parents * * *. Well over half of all parents with school age children expect them to attend college. But only one-third do so. Some 40 percent of those who enter college do not graduate, and only a small number continue into graduate and professional study. The lack of adequate aid to students plays a large part in this disturbing record.

President Kennedy went on to speak of the objective of Federal legislation in this area, saying that—

> it has not fulfilled its original objective of assuring that no student of ability will be denied an opportunity for higher education because of financial need.

It is exactly that which the present bill seeks to do, to provide through four separate approaches means whereby we may fulfill the responsibility of this Nation to assure that "no student of ability will be denied an opportunity for higher education because of financial need."

It will do this through expansion of the National Defense Education Act student loan program; through a new program of providing guarantees for student loans obtained through non-Government sources; through a Federal scholarship program; and through a work-study program of self-help to the student which will also be helpful to the institutions. In this, I agree with Commissioner Francis Keppel of the Office of Education, when he said to this committee last June 25:

The best way to think about this problem of financial aid at the college level is in terms of a combination of ways of going about it. No single method would seem to me to be suitable to every student.[1]

As he went on to say, we need a package approach for solution of the student's financial problem, and he specified the elements of this bill—namely, scholarship aid, loans, and finally, work, adding that "it is this combination that makes sense to me."

It is my intention today, first, to review quickly some of the salient facts about the need for increased higher education as a necessity for our national welfare; second, to point out again, as has been done before this committee on other occasions, the loss of potential national leadership sustained because of the financial difficulties faced by today's college students and their parents; and then to speak of the specific effects of this bill toward achieving that major goal of assuring "that no student of ability will be denied an opportunity for higher education because of financial need."

The Changing Job Mix

From the standpoint of the national interest, the education of our youth to their fullest potential cannot be separated from the need we have for that education. As long ago as 1960 the U.S. Department of Labor's Bureau of Labor Statistics made some startling estimates concerning the changing "job mix" which is occurring during this decade. The essential fact is that—

(1) farm labor is decreasing absolutely by one-sixth in this decade despite the increase in population;

(2) in absolute numbers, unskilled jobs are remaining stationary;

(3) semiskilled jobs in "blue-collar" work are increasing at a rate lower than the work force increase, or about 18 percent between 1960 and 1970;

(4) skilled workers, such as craftsmen, foremen, and the like will increase by 24 percent, slightly more than the expected 20 percent gain in the work force;

(5) proprietors, managers, and officials will increase at the same 24 percent rate;

(6) clerical and sales forces will go up slightly faster, by 27 percent; But—and this is the most significant factor for us here—

(7) a 41 percent increase is expected in professional and technical occupations, a growth rate more than double that of the labor force as a whole.[2]

We are already seeing the effects of this change in the job mix in the shortage of qualified professional and technical people, for whom advertisements in the classified sections of newspapers in every major city are crying most strenuously while at the same time there are increasing numbers of unemployed among the unskilled and semiskilled.

It is because of our great need for supporting technicians as well as professionals that this bill calls for broadening of the National Defense Education Act loan authority to nondegree granting schools, such as technological institutes, which provide supportive personnel in these crucial areas although they are not 4-year colleges.

[1] Education legislation hearings, 1963, vol. V, p. 2486.
[2] Address of Louis F. Buckley, then New York Regional Director, Bureau of Labor Statistics, before the Catholic Economic Association, St. Louis, Dec. 28, 1960.

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Education As Investment

One writer has put the case for Federal support of higher education in its strictly economic aspects about as succinctly as it can be done when he says:

> The most fundamental economic argument is simply that the intellect of the young is an essential natural resource that must be developed and used to the fullest if the Nation is to maximize satisfactions for the citizenry. In this economic sense higher education becomes a process that produces capital in the form of improved intellectual equipment for future service in the society.[3]

This concept of educational potential as a national resource is one which has been slow to develop, but one which we are increasingly accepting in this Nation as we strengthen the educational process through increased Federal support in recent years. It is time that we accepted it fully rather than tentatively, making a much increased effort to develop systematically this "natural resource."

As the same writer puts it:

> The Federal Government must concern itself with higher education because the products of education are essential to the Nation's growth and well-being. It has to be recognized that the returns from investment in education accrue not only to the individual but also to the Nation of which he is a part. In effect, the social benefits from education exceed the private benefits—another reason why complete reliance cannot be placed on the free market allocation of resources to education.[4]

In order to secure public understanding of this undeniable fact, we need to educate our citizens away from the popular view of education as a cost and a burden to the public, since in reality it is an investment with dividends which are handome both to the individual and to the Nation.

Senator Morse. May I break in, Senator Hartke, for the purpose of helping emphasize the paragraph you have just read. I think we are going to have to drive that home in every precinct of this country, because I am satisfied that once the American taxpayer fully understands that we are not asking him to increase his taxes; in fact, by this approach, we are only asking him for a loan, and it is a loan that will be repaid and not only be repaid, but will help expand our economy and thereby increase jobs, because the undeniable fact, as you very well know, is that the granting of loans and scholarships to the students who otherwise would not go to college will repay themselves over and over again in the increased taxes that they will then be able to pay into the Treasury of the United States in the way of increased earnings that they will make in their lifetime.

I have found, as I have talked to the various taxpayers' groups and parents' groups and teachers' groups, once you get that across, you can just see the opposition to this type of Federal aid fly out the windows.

We do have in this country great resistance to increase in taxes, with which I am in sympathy. But if you can convince the American taxpayer that we are asking him to make an investment that is going to make him, in the long run, a lot of money, because that is what this does; after all, his greatest business is his Government, if he can see that it is going to make money for his Government, we are going to find the opposition will disappear.

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[3] Roy E. Moor, "The Federal Government Role in Higher Education," in Economics of Higher Education, U.S. Department of Health, Education, and Welfare, 1962; p. 208.
[4] Ibid., p. 209.

I shall not interrupt you again, but I want to take this proposition, which I think is the heart of the political problem which confronts the committee with this bill, and also confronts the Congress, I want to emphasize this point I have just made because I think it is the answer to the resistance to this type of Federal aid.

Senator HARTKE. I fully appreciate the wisdom of the chairman's remarks, and I thank him for it because, honestly, my State of Indiana, for example, is considered sometimes to be one which has been maybe the real stronghold of opposition to this type of approach.

I have been making some speeches along this same line to them and I am in accord with the Senator's observation as to the precinct level, what you mean, to the grassroots.

Once you do make that point, you would be surprised; some people who you ordinarily would think would be against you are with you.

I had this happen to me in Bedford, Ind., which is considered the last stronghold of this type of opposition, and the editor of the newspaper said he thought I was right and I almost fell off my chair.

Thank you, Mr. Chairman.

Dr. T. W. Schultz, of the University of Chicago, has calculated that for each dollar spent in all education there is a return of 17 cents each year. Certainly a 17-percent return is a rate which would find a rush of investors if it were on a private-profit basis.

I will not attempt to outline the intangible economic benefits associated for the Nation with improved education, which include reduction of poverty and reduction of crime, the unpredictable but real addition to profitable ideas developed by the educated in both an economic and a social sense, and the improvement of race relations, which all evidence shows has a positive correlation with educational attainment for both races.

But I do want to refer to a 1961 study of average incomes for males aged 25 to 64, which shows increasingly high returns for added years of schooling at the level of individual income—which presumably measures to some extent also added value to society. Those who had completed the eighth grade earned $4,750 in 1961, a sum $1,267 greater than the $3,493 earned by grade school dropouts.

The high school graduate's average income in 1961 jumped another $1,352 above the eigth-grade graduate to $6,102. But the biggest gain came in the added earnings of the college graduate over the high school graduate. The college graduate's income in 1961 averaged more than 50 percent above that of the high school graduate, shooting up to $9,530. It is not a coincidence that the 20 percent who attended college hold more than 70 percent of the jobs that pay above $5,000 per year.[5]

The relationship of education to employment has been stressed many times in the past before this committee. Unemployment and all its concomitant miseries are a festering problem for the American economy. We will serve the national interest well if we can, by education, transfer some of the capable but financially unable from the potentially unemployed to the ranks of those for whom, because of full training, there is no lack of work. A recent Michigan State University study has shown that between 1952 and 1960 the rate of unemployment among those with less than a high school education

[5] All figures of last three paragraphs drawn from "People, Jobs, and Growth" by Prof. Arthur Mauch (University of Michigan) in Banking, the American Bankers' Association publication, for February 1964.

increased by 13 percent. But in the same period, unemployment rates among college graduates dropped by 36 percent.

The demand, and the neccessity, for college graduates is increasing. The bill before us for consideration is therefore a necessity for the fullest development of our greatest remaining "natural resource," the talents of those whose ability is great but whose financial circumstances are limited.

In the February issue of the journal of the American Bankers' Association, Banking, Prof. Arthur Mauch discusses "People, Jobs, and Growth."

I would like to quote from this article, appearing as it does in a publication speaking to and for what is considered an economically conservative segment of the community. Speaking to the Nation's bankers in their own journal, he says:

> If financing of education is to be adequate, the public must accept the fact that such support is an investment that brings high returns and that we can afford to make the investment—indeed that we can ill afford not to.

Professor Mauch continues:

> Our gross national product is in the neighborhood of $600 billion a year. If we credited the effects of education to only 10 percent of this, instead of the 20 percent or more that studies indicate would be justified, it would not seem out of line to invest up to $60 billion. Only about $25 billion, or less than 5 percent, is being spent by educational institutions from kindergarten through university, both public and private.

I quote one further paragraph:

> The most able students should have an opportunity for education beyond high school. Unfortunately academic ability of the student and financial status of the parent do not always coincide. College costs are rising. Unless loans or scholarships are provided, a valuable resource will be wasted.

In line with Dr. Keppel's concept of a "package" to which I referred earlier, the bill which I have introduced will offer a means, far better than some which have been suggested and which do depend to a considerable extent on the coincidence of student ability and parental financial status, at least with respect to the income tax.

In the combination of loans with Government guarantee, outright scholarships for the most able students without resources, and course-related paid-work programs there is some feature available for everyone capable of maintaining acceptable college academic standards, as I shall show.

First, however, before turning to the specific provisions of the bill, I want to speak not only about the economic benefits, as I have been doing, but also about the economic needs of the students and the degree of loss the Nation suffers by their financial disabilities.

THE STUDENT AND COLLEGE COSTS

Evidence previously presented to this subcommittee [6] shows that college enrollment of first-time students first passed the million mark in the fall of 1961, when total enrollment was less than 4 million.

It is expected that next year the total will top 5 million for the first time, and indeed is estimated at 5,257,000. But despite the dramatic increase in college attendance, there is a great loss of potential college-qualified youth to the overcrowded job market at lower

[6] "Education Legislation," 1963, hearings, V, exhibit, pp. 2411-2412.

levels simply because college costs have also spiraled. Let me remind you of the testimony of Dr. Keppel before you last June 25, when he pointed out that the cost of attending college in public institutions has risen from a low of $730 in 1930 to $1,480 today and a projected $2,400 in 1980, with the 1962–63 average direct cost in private institutions already reaching $2,240.

Comparisons of these average costs with the current annual median family income of $5,700—

said Dr. Keppel—

indicates immediately that a college education represents an extremely large outlay for most American families. As a major item of expenditure it is second only to the purchase of a home.

The burden is particularly heavy in the case of a family with several children. If there are three children each 2 years apart in age and schooling, if each enters college immediately upon concluding high school, there will be 8 years of these high costs without a break, and during 2 of those years the doubled cost of two in college at one time. All of us know such cases, and some of us have experienced them or can expect to shortly. Frankly, with seven children, this is my own case.

At the figure cited for a public institution, the total becomes nearly $18,000 spread over only 8 years; at a private institution, it would be nearly $27,000. And this does not take account of the projected rise in college costs.

What is the effect in loss of potential talent for the well-educated leadership of the Nation? Dr. Keppel continues:

It is no wonder, then, that each year between 100,000 and 200,000 able high school graduates who have high aptitude and interest for college fail to continue their education, many because of financial inability to do so. According to the 1962 findings of the Office of Education-financed Project Talent, 30 percent of the high school seniors in the 80 to 90 academic percentile of their class and 43 percent of those in the 70 to 80 percentile failed to enter college.

Moreover, enrollment figures indicate that approximately 40 percent of all students who begin college withdraw before graduation. Many of these are talented but leave college because of financial hardships. Surely this is an intolerable loss to the Nation of urgently needed college-trained manpower. In the case of every American youngster with college capabilities who is denied the opportunity of starting or completing a college education we not only limit the individual opportunities which come with greater education, but we also retard our scientific advance, slow our economic growth, and deplete our reservoir of future leadership.[7]

These are the young people that the "package" in my bill is designed to help—"every American youngster with college capabilities" now retarded in his educational effort by financial lacks. The problem is not entirely that of the lowest-income segment, although that is often automatically the group to whom college opportunity is financially denied. For example, the Educational Testing Service has found that among the highest 10 percent of public high school seniors, by aptitude test, 30 percent of those graduating in 1955 did not go on to college. For these, based on high merit, the bill would make available scholarship funds, which might be supplemented with loans and/or work.

But there is a need for relief from the high costs, from the burden, of college education's price tag for the middle-income family as well.

[7] Ibid., pp. 2353–54.

Here it is often possible for the first year or two of college costs to be financed by planned savings. But for the college-capable student of only average grades, there are not presently, and probably will not be, scholarships; and perhaps, on the principle of an educational means test of the sort now employed by the many schools affiliated with the College Scholarship Service, there should not be. But the burden is still there. My bill will benefit particularly this group through the opportunities afforded for vastly increased commercial loans for college students which the guarantee of their repayment by the Federal Government, much as we now guarantee FHA loans for housing, will stimulate.

The truly upper income group, for whom the benefits would be largest under a tax credit plan, do not have this problem in the same degree; they already have resources or borrowing power with which to meet the need.

I turn now to the provisions of the bill itself.

Student Loans

In some respects the opportunity to borrow money as an investment in his future career may be of greater value to the student than the opportunity for scholarships. There are many very capable people, future leaders, who do not have or do not acquire the high degree of academic proficiency which could win them a scholarship on the basis of grades or other such merit tests.

Yet they can, and should, profit by the college education they may secure if finances permit. Here, as in the whole of this bill's total package, the emphasis is not on a regressive backward look to the ability of the parents to earn enough to secure a tax credit, but on a progressive forward look to the ability of the student himself to earn the means to repay the loans granted to him.

Two of the four parts of this bill deal with loans. The first, the expansion of National Defense Education Act funds and the extension of new borrowing beyond June 30, 1965, requires participation in the loan by the institution, which puts up $1 out of every $10 of the amount loaned to the student. Because the loans are under the direction of the institution, there is a close scrutiny of the need and an effort to place the money where it will be the most valuable in its effect. The result is a considerable emphasis on the most severe need.

But the second loan provision, that for guarantees of commercial loans, will open the door to the middle income family and the student who has their backing for the securing of help with less regard to severe need. In many cases, it may not make a final difference in the ability of the student to go to college but it may make a vital difference in the financial situation of the family.

Essentially, too, it shifts the focus from the family to the individual, who in most cases would be the responsible borrower although the family might be the cosigner and responsible secondarily. Now all too often the only way a student can secure a commercial loan is through the security his family can provide, such as a mortgage on the family home. The two are not duplicating each other, but are complementary to each other.

National Defense Education Act Loans

The National Defense Education Act amendments embodied in Public Law 88–210, part B, provided for $135 million in fiscal year 1965 and such sums as may be necessary in the following 3 fiscal years for students holding prior loans. It also raised the loan ceiling per institution from $250,000 to $800,000. Under it, new money authorization ends June 30, 1965.

The success of the national defense education loan system is undoubted. One thousand four hundred sixty-eight institutions participated in fiscal year 1962, when they added nearly $7.4 million of their own funds to the almost $90 million provided by the Federal funds authorized. The cumulative total by June 30, 1962, was nearly $225 million advanced to students with a loss of only $700. With average loans of about $470, aid had been given to 327,000 undergraduates and more than 36,000 graduate students.

According to a survey of students borrowing in fiscal 1961, 9 out of 10 were dependent on availability of a student loan to begin or continue in college. Two out of every five came from families with annual incomes below $4,000 and five out of seven from families with less than $6,000. Nearly a third were financing their expenses entirely from nonfamily sources—loans, scholarships, and part-time work; 8 out of 10 got more than half their funds in such a manner. Of further significance, 74 percent had brothers and sisters of college age or younger.[8]

These facts indicate the great extent of the need for student loans, a need which the National Defense Education Act program has never been able to satisfy. The growing demand is indicated by the fact that with a $250,000 limitation on the amount available to any one institution, 34 colleges and universities requested more than that limit in fiscal year 1961.

Requests over the limit rose to 102 in fiscal year 1962, and to 123 institutions in the 1963–64 year. Even though the ceiling has now been lifted to $800,000, the 1963 requests included three beyond even that sum and four more in excess of $700,000. The present bill does not set any such arbitrary limitation, which tends to penalize the student attending the largest schools by making loans unavailable even though the college is willing to put up its share of the fund. The University of Minnesota, for example, as the one with the largest request asked for $1,017,000 for loans to 1,607 students at an average of $478 in 1963–1964.[9]

While the new National Defense Education Act amendments provide $135 million for fiscal year 1964, the new bill would lift this to $200 million and would authorize also the amount of $250 million each for 2 years beyond that, plus the sums necessary in the following 4 years to carry students with prior loans. I do not believe we can afford to close out this program as the present law would do, but that it needs to be enlarged.

Further enlargement would be accomplished by extending loan preference not only to prospective elementary and secondary school teachers, but also to college and university teachers. It would also increase the annual loan limit for undergraduates from $1,000 to

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[8] Senate subcommittee hearings, Education Legislation, 1963, vol. VI, p. 3285.
[9] Ibid., vol. V, p. 2397.

$1,500 and to $2,500 for graduate or professional students, with total limitations of $7,500 for undergraduate and $10,000 for graduates.

In addition, and perhaps this is the most important change in the National Defense Education Act loan program, there is a new definition of institutional eligibility. In addition to institutions awarding a bachelor's degree, there would also be eligible junior colleges and technical schools offering at least a 2-year program requiring high school graduation for admission. These must be accredited by a nationally recognized accrediting agency on a list to be published by the Commissioner, or in some instances by an advisory committee if there is no proper agency. Here we are attempting to meet the need for technical personnel and to avoid the present discrimination against the junior college or community college type of institution.

Loan Insurance Program

For the moment I shall skip the undergraduate scholarship program in order to consider with you the loan insurance provisions of part C. For the most part, I am sure you are familiar with this, which appears with slight change in this version substantially as it does in S. 580, on which you have held hearings. The major change from the bill is in the doubling of the total amount authorized as insurable and in the doubling of the revolving insurance fund from $500,000 to $1 million.

While the bill would not be complete without all its parts, it is probable that for the small sum of investment needed to put such a program into effect, the results here would be most valuable as a stimulant to what might be called the "private sector" of the college education economy. It would vastly expand loan funds available to students, since it would give that added measure of guarantee against loss which would release many sources of funds by those who now rightly feel that an unsecured loan to a student is too great a risk for their situation. This would, of course, include regular banking institutions, but it might conceivably make it possible for colleges and universities to invest some of their own endowment funds in the education of their students rather than in stocks and bonds.

Nowhere have I seen a better indication of the deep and urgent need for such a program than in the publication of the Credit Union National Association (CUNA), the Credit Union magazine, for May, 1963. I should like to ask the chairman to indicate at the end of my testimony as an exhibit two pages of tabulations which appear there stating the conditions under which education loans may be secured from some of the rapidly expanding State student loan guarantee corporations, most of them publicly financed; through United Student Aid Funds, Inc., which has headquarters in Indianapolis and guarantees bank loans in some 30 States where the plan has been endorsed by the State bankers' association; the plans of a number of large banks; and those of the subsidiaries of two finance companies.

Senator Morse. The exhibit will be included in the record as requested.

(The material referred to follows:)

Typical education loans available to parents, guardians, or sponsors of students

	Amounts which can be borrowed	Length of repayment period	Examples of the plans offered: Amount borrowed	Monthly payment	Total interest charges	Total insurance charges	Other charges	Total cost	Comparable interest rate [1]	Eligible borrowers
First National Bank of Allentown, Pa.	Up to $10,000 for 4 years of study.	Up to 6 years	$500 a semester repaid in 6 years.	$63.60	$320.00	[2] $259.20	$15 initial investigation fee.[3]	$594.20	11.36	Parents under 60 years of age who live in the Lehigh Valley area, or who have children attending school in the area.
			$1,250 a semester repaid in 6 years.	159.00	800.00	[2] 648.00	do.[3]	1,463.00	11.12	
Wachovia Bank & Trust Co., Winston-Salem, N.C.	Up to $10,000 for 4 years of study.	do	$500 a semester repaid in 6 years.	64.32	307.04	[4] 216.00	$15 initial investigation fee [3] plus 50 cents monthly service fee ($36) and 25 cents per $1,000 monthly administration fee ($72).	646.04	12.36	Any responsible adult with typical credit qualifications and who is acceptable to the insurance company.
			$1,250 a semester repaid in 6 years.	160.05	767.60	[4] 540.00	$15 initial investigation fee [3] plus 50 cents monthly service fee ($36) and 25 cents per $1,000 monthly administration fee ($180).	1,538.60	11.70	
Wheeling Dollar Savings & Trust Co., W. Va.	No maximum	do	$500 a semester repaid in 6 years.	63.30	320.00	[5] $201.60	$15 initial charge [3] plus 50c monthly service fee ($36).	572.60	10.94	Parents, under 60 years of age, anywhere in continental United States, except those whose children have less than 2 years of college remaining.
				64.50	320.00	[6] 288.00	do [3]	659.00	12.62	
				66.50	320.00	[7] 432.00	do [3]	803.00	15.45	
Bank of America, California	Up to $10,000 for 4 years of study.	do	$500 a semester repaid in—							Residents of California who have children attending school anywhere in the United States. Students are eligible if their income is sufficient.
			4 years	87.02	176.96	(8)	None	176.96	13.17	
			5 years	72.78.	366.80	(8)	do	366.80	11.18	
			6 years	63.36	561.92	(8)	do	561.92	10.62	
Central National Bank of Cleveland, Ohio.	do	Up to 8 years	$750 a semester repaid in 8 years.	78.84	Unknown.	(9)	Unknown	[10] 1,636.56	11.06	Residents of Ohio under age 65 who have children attending school anywhere in world.
In the preceding plans, insurance on the borrower provides funds for completion of study by the student in case the borrower dies										
Lincoln Rochester Trust Co., Rochester, N.Y.	Up to $10,000 for 4 years of study.	Up to 6 years	$1,250 a semester repaid in 6 years.	$154.16	$799.52	[11] $300.00	None	$1,099.52	8.29	Parents living in the 7-county banking area, or have children attending school in the area.
Boatmen's National Bank of St. Louis, Mo.	do	do	$600 a semester repaid in—							Parents living in the Greater St. Louis area.
			4 years	104.68	Unknown	Unknown	do	224.64	13.92	
			5 years	86.75	Unknown	Unknown	do	405.00	10.26	
			6 years	74.88	Unknown	Unknown	do	591.36	9.31	
The Tuition Plan, Inc., New York, N.Y. (subsidiary of C.I.T. Financial Corp.).	No maximum	Up to 5 years	$560 a semester repaid in—							Parents under 60 years of age who have children attending schools participating in the plan.
			40 months	106.00	None	(8)	$240 service charge (6 percent of cash price)	240.00	60.02	
			60 months: (payments begin on June 1 preceding start of school year)	73.30	None	(8)	$398 service charge (9.95 percent of cash price)	398.00	23.38	
Funds for Education, Inc., Manchester, N.H.	Up to $10,000 for 4 years of study.	Up to 6 years	$500 a semester repaid in—							Families anywhere.
			4 years	89.59	Unknown	Unknown	None	300.32	22.24	
			5 years	75.59	Unknown	Unknown	do	535.40	16.44	
			6 years	66.96	Unknown	Unknown	do	821.12	15.65	
American Fletcher National Bank & Trust Co., Indianapolis, Ind.	No maximum	Up to 8 years	$500 a semester repaid in—							Parents under age 60 who reside in Indiana.
			4 years	87.28	189.44	(8)	do	189.44	14.09	
			5 years	72.88	372.80	(8)	do	372.80	11.36	
			6 years	63.28	556.16	(8)	do	556.16	10.51	

In the preceding plans, insurance on the borrower provides funds for completion of study by the student in case the borrower dies or becomes totally disabled

Typical education loans available to parents, guardians, or sponsors of students—Continued

	Amounts which can be borrowed	Length of repayment period	Examples of the plans offered: Amount borrowed	Monthly payment	Total interest charges	Total insurance charges	Other charges	Total cost	Comparable interest rate [1]	Eligible borrowers
Education Funds, Inc., Providence, R.I. (subsidiary of Household Finance Corp.).	Up to $14,000	Up to 5 years	$500 a semester repaid in—							
			40 months	$105.06	$202.40	(5)	None	$202.40	54.80	Parents living anywhere in the United States.
			48 months	[12] 88.18	232.64	(6)	do	232.64	35.90	
			60 months	[13] 73.98	438.80	(7)	do	438.80	26.39	
In the preceding plan, insurance on the borrower provides funds for completion of study by the student in case the borrower dies or becomes totally disabled. Life insurance on the student pays off the loan balance outstanding in case the student dies										
The Philadelphia National Bank, Philadelphia, Pa.	Up to $10,200 for 4 years of study.	Up to 5 years	$525 a semester repaid in 5 years.	(14)	$420.00	(8)	None	$420.00	12	Any financially qualified adult.
			$1,275 a semester repaid in 5 years.	(15)	1,050.00	(8)	do	1,050.00	12	
In the preceding plan, insurance on the borrower pays off only the balance outstanding and does not provide funds for completion of study by the student in case the borrower dies										
Canadian Imperial Bank of Commerce, Canada.	Up to $8,000	Up to 8 years	$500 a semester repaid in 6 years.	[16] $57.46–$65.45	$370.00	(17)	None	$370.00	6	Parents with a regular income and good credit rating may borrow up to 80 percent of costs for tuition, books, room, board, and travel.
Royal Bank of Canada	Up to $500 a year if student lives at home; otherwise, $1,000 a year.	No set schedule. Students usually repay out of summer earnings; parents can reduce loan on monthly repayment plan worked out at the bank or its branch offices.				(17)	do	(18)	6	Usually parents, but students are also eligible.

[1] Because the amounts borrowed and length of repayment periods vary in many of the plans, the Credit Union Bridge Magazine engaged an authority to obtain a standard of comparison for all the plans. The standard decided upon was to consider all the costs (interest, insurance, extra fees and service charges) as interest and compute what would be comparable to a true annual interest rate. For ease of comparison, all plans except those noted were treated as if advances were made on Sept. 1 and Feb. 1, with the monthly repayments beginning on Sept. 30. In reality they do vary to some degree, depending upon when the school year begins and other factors.
[2] 90 cents per month per $1,000.
[3] This fee is paid only once and, although not a part of the monthly payments, is included in the total cost of the plan.
[4] 75 cents per month per $1,000.
[5] 70 cents per $1,000 if age 45 or less.
[6] $1 per $1,000 if age 46 to 55.
[7] $1.50 per $1,000 if age 56 to 60.
[8] Included at no extra cost.
[9] Unknown; 1st year's premium, based on amount borrowed plus length of time, is payable in advance.
[10] Includes initial insurance premium of $67.92.
[11] 50 cents per $100 per annum.
[12] Begin Aug. 1.
[13] Begin June 1.
[14] $70 plus 1 percent per month on balance outstanding.
[15] $170 plus 1 percent interest.
[16] Depending upon balance outstanding and interest due.
[17] No insurance provided.
[18] Depends upon repayment schedule.

Typical education loan plans availabzle to students

	Amounts which can be borrowed	Repayment begins	Length of repayment	Annual interest rate	Life insurance	Other charges	Who may borrow	Additional information
National defense student loan program.	Up to $1,000 a year for 5 years.	1 year after leaving school.	Up to 10 years	3 percent once repayment begins; none until then.	Included	None	Students attending U.S. schools participating in the program.	Apply at college or university. Public school teachers receive a 10 percent reduction of the loan for each year they teach, up to a maximum of 50 percent of the total loan.
North Dakota State Department of Public Instruction.	Up to $500 a year for 4 years.	do	1 year for each school year financed.	3 percent from date of loan; payable annually.	None	do	North Dakota residents attending school in the State and who have completed their 1st semester.	Similar plans are available in other States Check with the school or the State department of public instruction.
Wisconsin State loan und	Up to $750 a year	do	do	1 percent while in school; then 5 percent.	do	do	Wisconsin residents attending school in the State.	
New York Higher Education Assistance Corp. (NYHEAC).	$500 to $1,500 a year, depending on grade.	Arrangements to be made 60 days after leaving school.	Up to 6 years	None in school (paid by NYHEAC); then 3 percent.	NYHEAC guarantees the loan.	do	New York residents in need of financial assistance. May attend school out of State.	NYHEAC established by New York State Legislature. Similar plans are operating in Illinois, New Jersey, Rhode Island, Virginia, and Wyoming. Corporation guarantees student's loan from financial institutions participating in the plan.
Massachusetts Higher Education Assistance Corp. (MHEAC).	$500 a year in final 3 years.	6 months after leaving school.	Up to 3 years	3½ to 5½ percent (depending on prime rate in Boston) while in school; then MHEAC sets rate.	MHEAC guarantees 80 percent of loan.	do	Massachusetts residents who have completed their freshman year and are in need of financial assistance.	MHEAC financed by contributions from businesses, individuals and charitable foundations. Maine has a similar plan. Corporation guarantees student's loan from financial institutions participating in the plan.
United Student Aid Funds, Inc. (USAF)	Up to $1,000 a year in final 3 years.	4 months after graduation.	do	No more than 6 percent from date of loan.	USAF guarantees loan.	do	Students who have completed their freshman year, are in need of financial assistance, and are residents of State in which they apply.	USAF guarantees loans made by banks in areas where plan has been endorsed by State bankers associations. 30 States have already endorsed the plan, others are considering it.
Province of Ontario	Up to $500 a year for 4 years.	1 year after leaving school.		4 percent once repayment begins; none until then.	None	do	Students in Ontario schools	Other provinces have similar plans.

Senator HARTKE. One of the most arresting features of this tabulation is the calculation of the true interest rate, which appears in a separate column.

The great need for student loans is indicated by the rapid development of the State plans, of which the Massachusetts Higher Education Assistance Corp., privately financed by contributions from business, individuals, and charitable foundations was the first, beginning in 1956. Incidentally, by 1962 this plan had loaned about $6 million to nearly 13,000 students with default by only 56 involving a total of just over $24,000. The New Jersey Higher Education Assistance Corp. in its first 2 years guaranteed $600,000 in loans to over 1,000 students with only 1 default, which was a result of death. This is a good indication that student loans even though unsecured are actually good risks if properly handled.[10]

While interest under these plans ranges from 3 percent in Wisconsin to 6 percent in some States, the tabulation shows that student loan plans sponsored by individual large banks run to a true interest rate ranging around 11 to 12 percent. But the shocking development, one which shows the strength of the demand for commercial loans at even the most highly unfavorable rates, is the way in which the largest finance companies have moved into the field with their own incorporated high-rate plans, plans which in many cases are trusted by the borrowers and unknowingly recommended by college authorities without realization of their ownership or usurious terms. One of these is Education Funds, Inc., of Providence, R.I., a subsidiary of Household Finance Corp. As the chart shows, under its three repayment plans, with loans ranging up to $14,000, the equivalent interest rate runs to approximately 26, 36, and 55 percent.

The Credit Union magazine article has more details about the operations of one of the best known plans, operating throughout the country, the Tuition Plan, Inc., of New York, a subsidiary of C.I.T. Financial Corp. Under their 40-month repayment plan the effective interest rate is an unbelievable 60.02 percent. Here is the article's description of how this is done:

> The tuition plan will furnish a student $500 a semester for 8 semesters in return for a fixed service charge of $240, paid at the rate of $106 a month for 40 months beginning a month after the first advance. Instead of being a repay-as-you-go plan, it soon evolves into a prepayment plan which indicates the parent is either paying the company to hold his money instead of vice versa, or he is paying a huge amount of money on some very small advances.
>
> In effect, the parent repays $530 on a $500 advance during each of the first two semesters and then prepays $212 before the start of the third semester. This means the third advance is only $288 plus the $212 which has been prepaid By the beginning of the third year, the parent is given $424 of his own money back and a $76 advance to equal the $500. Still the monthly payments of $106 continue until the parent receives no more advances but is given back his own money to pay the expenses for the final two semesters of college. The service charge as applied to this plan is comparable to a true annual interest rate of 60.02 percent.

There can be no question of the need for more favorable terms for commercial student loans, in the light of such situations as this which apparently find enough need from borrowers to make them operable. My bill would allow borrowing to be incurred up to $2,000 in 1 year, with a $10,000 ceiling on the total, with the fund liable for no more than 90 percent of the unpaid balance and interest in case of default.

[10] Elmer D. West, "Financial Aid to the Undergraduate," American Council on Education, 1963; p. 41.

The loan would go to the student himself, who must be a full-time attendant under the institution's rules and in good academic standing. If the borrower is a minor, endorsement may be required. Repayment may extend over a 10-year period and normally would begin 1 year after completion of schooling. Interest would be within a maximum prescribed by the Commissioner, and most probably would be 6 percent, with the one-fourth of 1 percent charged for the guarantee service included. This would be paid by the loaning institution.

One difference from the provisions of S. 580 is the incorporation of a new section allowing the Commissioner to issue a comprehensive insurance coverage certificate to any eligible lender, eliminating the need for a separate certificate on each individual loan.

Mr. Chairman, a provision of this kind has been talked about for several years. A bill to provide for student loan insurance was introduced into the Senate by our present President, then Senator Lyndon Johnson, as long ago as September 14, 1959, in the bill, S. 2710, of the 86th Congress. President Kennedy's message to which I referred at the beginning of my remarks called for enactment of such a provision in these words:

> I recommend that the Congress enact legislation to * * * authorize a supplementary new program of Federal insurance for commercial loans made by banks and other institutions to college students for educational purposes.

I made such a proposal in the 87th Congress, and renewed it in the present Congress with my separate bill, S. 1115, which was a narrower concept than the one now before us. The need is very great, the cost is very small, and the amount of benefit for the surging numbers of youth who need aid of this sort is almost incalculable. I have no doubt however, that once in operation it may very well serve many more than the 110,000 it is estimated would be aided by it each year after its initial beginning in 1965.

Undergraduate Scholarships

There is no further need here to argue the desirability of college scholarships in order to benefit the Nation by assisting the academically capable but financially incapable student, whose waste of potential talent is robbing the Nation of this great "natural resource." Senator Ribicoff, then Secretary of Health, Education, and Welfare, in 1961 stated before this committee in one paragraph the basic need for Federal scholarships. His testimony on the bill, S. 1241, of that year, which proposed a scholarship program by the Government, is equally applicable today to the bill before us:

> The proposed plan of scholarships would implement the efforts already begun under the National Defense Education Act to assist the States and high schools in their programs for the early identification and motivation of talented youth through improved counseling services. It would provide for a national talent search, to be conducted on a partnership basis by the Federal Government and the States, to discover, encourage, and assist significant numbers of students of high ability who otherwise might be unable to enter college. It is designed to stimulate and supplement rather than to supplant or discourage additional scholarship assistance by the States, corporations, voluntary groups, and other private sources. Actually, the seriousness and size of the problem of "erosion of talent" warrants vigorous participation by all sectors, public and private, of our society in its solution.[11]

[11] Aid for Higher Education," hearings before the Subcommittee on Education, 1961; p. 60.

It is estimated that this fall 1,200,000 students will enter college as freshmen. At the same time, a study of more than 300,000 applicants in the National Merit Scholarship Competition in 1958–59 showed that about 10 percent of those qualifying for college in the upper 30 percent of the group did not enter college most often for lack of finances. On this basis, 10 percent of the 1,200,000 figure will be about the number left behind for financial reasons, or 120,000 students.[12]

My bill, which would provide an average $750 scholarship and a $1,000 annual maximum, does not begin to meet the need, since it would provide for only 50,000 new students each year for 4 years, while continuing those previously in the program. The cost would be $37.5 million each year, with a peak total of $150 million in the fourth year, when the program would be helping a total of 200,000 students. Need would be a controlling criterion, with student selection made by State commissions on scholarships.

Each State's allotment of funds, except for 2 percent of the total divided among Puerto Rico, Guam, the Canal Zone, American Samoa, and the Virgin Islands, would be half on the basis of the relative number of high school graduates in the State and half on the basis of the State's population aged 14 through 17. The scholarship could be used without regard to State boundaries, at "any institution of higher education which admits him."

These features are essentially the same as those specified in the administration bill of 1961, and like that bill the present measure would also award the institution attended by the scholarship holder $350 as a "cost of education" allowance.

Scholarship awards have been increasing in recent years from nongovernmental sources, as we have increasingly realized their necessity. But they are still far from adequate to reach more than a part of the talented but relatively poor. If we are to make the all-out effort to abolish poverty which is being now so earnestly considered, there is no better investment than this to raise a bright slum boy to a higher level of possibilities.

How great is the need? Is it not possible that the great number of scholarships already available can do the job?

There has been manful effort by the colleges and universities themselves to offer scholarships for the needy. In the decade between 1949–50 and 1959–60, the number of higher institutions awarding scholarships increased substantially.

In 1949–50, 1,198 colleges and universities out of a total of 1,808 gave $27 million in scholarships to 124,223 students. But 10 years later 1,677 out of 2,011 institutions granted more than $98 million in scholarships to 287,589 students. Almost one-third of the total, however, was concentrated in the three States of New York, Pennsylvania, and Massachusetts.[13]

The largest scholarship program financed by public rather than private funds is that of New York State, which in 1961–62 provided scholarship and fellowship aid to about 40,000 residents of the State in a total amount of $15.7 million.

[12] Figures from Office of Education. Congressional Record, Feb. 4, 1964, p. 1813.

[13] "Non-Federal Undergraduate Scholarships," Office of Education memorandum in subcommittee hearings of August 1961, "Aid for Higher Education," p. 67; and West, "Financial Aid to the Undergraduate," p. 32.

The principle of publicly financed scholarships is far from new here; the first provided by New York State gave $100 annually for 4 years to 128 Cornell University students. This is not so surprising as the date, which was 1868. The program was increased from 128 to 150 scholarships in 1895, and in 1913 the first 750 regents scholarships were established. Nearly every year since 1954 there have been increases and additions made available.

New York State is not alone. California began its scholarship program with 640 awards in 1956, and in 1965 the total number of authorized scholarships will reach 5,120.

Illinois, New Jersey, Rhode Island, Maryland, and Virginia also have State-supported scholarship programs of significance. But it is worthy of note that all of the States with such programs are among those with higher per capita incomes than the States with the greatest need for help to their students. Nothing less than a Federal scholarship program will reach many of those who need help most.

In addition to institutionally sponsored and State sponsored scholarships, there are those by private groups, including labor unions, business firms, civic organizations, women's clubs, churches, and others. The Education Testing Service has estimated that in 1960–61 business firms and corporations gave 37,000 grants worth $22.5 million. The total of undergraduate scholarship assistance in 1961–62 has been estimated by the Office of Education at $150 million.

The report stating this figure adds:

> Although this sum represents a considerable effort to overcome the economic barriers to higher education, it is not regarded as adequate in view of recent increases in tuition charges and other college costs and the growing number of high school graduates who have the requisite ability and seek the opportunity for higher education.[14]

In view of the great need, and in order to harvest the "natural resource" of the Nation's underprivileged brainpower, I feel that the 50,000 scholarships per year in this program is a vital part of the total package.

Work-Study Program

This brings us to the final part of this comprehensive student aid bill, the work-study program. Again, this is much the same as S. 580, the administration bill which you have considered earlier, though on a larger scale. It would help more students than any other part of the program except loans, with an estimated 330,000 being assisted each year. However, the concept involves more than a make-work assistance program.

The entire drive of this device is toward better programs of professional preparation for careers, since funds granted to the institutions for this use would go for academically related work, not for leaf raking, snow shoveling, or any such nonmental activity.

Rather, both the institution and the student would gain from work done, for example, by teaching and research assistants who will learn while they earn. Likewise, in such programs as those involving casework or public welfare trainees, public school teaching interns or teacher aids, nursing trainees, or similar courses with off-campus work requirements, payment will be allowed for such service. One difference from S. 580 is this specific inclusion of the purpose "to

[14] Aid for Higher Education," p. 69.

assist such institutions to develop and expand courses of study requiring periods of full-time on-the-job training."

It is significant that in 1959–60 more students were employed by institutions of higher education than the number receiving scholarships from the institutions. Studies at the University of Illinois in 1961 showed that 48 percent of single men and 69 percent of the married men at the school received some income from employment of one kind or another, while 36 percent of single women and 59 percent of wives were also moneyearners. At Wisconsin a study of the same year revealed similar figures, 46 percent of resident men and 42 percent of resident women, with lower figures—35 and 21 percent—for those coming from outside the State.

It is apparent—

says Elmer B. West in an American Council on Education publication [15]—

that the working student is not a rarity on the college campus. Workweeks of 10 hours may not seem long, but they are one-fourth of the normal workweek of a man employed full time. The 10 hours are in most cases in addition to the requirements of full-time academic work. Many, of course, work more than 10 hours, which is taken as the average.

Then Mr. West adds this sentence, which points up the effect of the work-study program in this bill:

One can only speculate on the advantage of assigning this "more than 10 hours per week" to the task of learning instead of earning.

This is what the course-related work-study program would do. Other sources, incidentally, estimate that probably an average of 40 percent of all students are employed.

There is one other thing this part of the bill would achieve, as a sort of side effect or as a "fallout" result. It would remove a sizable number of students who must work from filling stations and taxicabs and jobs as supermarket stock boys, opening up a measure of employment for possible replacement by those with no jobs at the present time at all. The type of unskilled labor at which the college student is typically employed off campus is precisely the type of work which is in shortest supply to meet the needs of those at the bottom of the employment ladder.

In Conclusion

Mr. Chairman and members of the subcommittee, I have made here a fuller and lengthier statement than I might have ordinarily prepared. I have done so in order that I might try to anticipate many of your questions and to make a comprehensive case for the necessity for such a "package" of educational assistance to students at the post-high-school level.

Let me reiterate. Our most precious resource lies within our youth. We once allowed our forests to be despoiled, our hillsides to be eroded, our streams to be polluted. But of the value of these resources and the need for their conservation we have become increasingly aware. Programs of the Federal Government now include appropriations for air pollution control, for development of better hybrid corn, for recreation areas, for the preservation and improve-

[15] "Financial Aid to the Undergraduate," 1962, p. 52.

ment of natural beauty areas. Isn't it time that we realized that expenditure for college education assistance is a vital investment, not an expense?

Now, this year, is the time to start. We have all, here in the Senate, felt the surge of response to another type of proposal for college aid, one which would have cost double the amount involved in this comprehensive bill.

We know that the people of this Nation are ready to back such forward-looking legislation as this which is directed toward our youth themselves.

We know that there is not only a demand for student aid but a very real need behind the demand. I hope and trust that in this subcommittee, with its distinguished members and most able chairman, there will be sufficient acceptance of the need and a considered judgment that this is the appropriate answer to that need, so that this bill will be reported to the Senate and eventually enacted into law.

Now, Mr. Chairman and members of the subcommittee, all of this has been objective. I would just like to add one personal note. I have the first of my seven children in school and a son-in-law working in school, too, at the present time.

I have been the recipient of almost every type of aid which has been specified in the bill. I went to undergraduate school on a scholarship. I had a work-study program. I went to Indiana University on a double scholarship and on a work-study program, and I borrowed money with the help of a cosigner of, I would say, rather poor family means. I would not have had my undergraduate college education or my law degree except for a combination of almost every one of these programs. I was lucky. I would like to see the rest of our young people have this same opportunity.

I want to thank you, Mr. Chairman, for being so kind and considerate of a real long statement.

Senator MORSE. Senator Hartke, the thanks go the other way. The subcommittee thanks you for your statement. It is more than argument in support of your bill. It is really a research paper setting forth much of the objective data which we will need as we study this bill on its merits. I think you have made a prima facie case. It is indeed a strong prima facie case in support of the bill. In behalf of the subcommittee, I want to thank you for the excellent factual material that you have presented in this research paper.

I have a habit on this subcommittee of assigning paperwork to the staff of the subcommittee and to the Office of Education. Your paper causes me to assign now a supplementary report on that section of your statement dealing with scholarships. I would like to have the staff prepare for the subcommittee a paper, with the assistance of Commissioner Keppel and any others in the Government who can help, which will detail the scholarship programs of the last 5 years or so, offered by private industry in this country.

The paper should include a segment showing how much of the scholarship program is repayable and how much of it is in the form of out-and-out grants.

I would also like to have the paper contain data for the last 5 years or so setting forth student loan programs offered by private industry. I think we will be surprised to what extent private industry has already participated in such programs as you have suggested this morning. We can tap those resources, in my judgment, in larger degree if we can adopt a loan guarantee program such as you have in mind.

I would like to have the supplemental paper I have requested expand upon the figures in your paper on the scholarship programs of American institutions of higher learning. This information will permit us to see the total national picture to determine to what extent they are offering grant scholarships and to what extent they are offering loans. The paper ought also to cover detailed information on the interest problem.

It is shocking evidence that you have included in your paper in regard to the usurious interest rates charged by some loan companies. They forget that the legitimate profit motive of the capitalistic system does not include any right to exploit.

You have brought out in your paper, and I want the staff to follow through on it for additional proof, evidence of some shocking exploitation of some of the students of this country in the field of usury. We do have a public responsibility as the Federal Government in my view to protect students from that kind of exploitation. The objectives you have in mind in your bill would certainly help to do it.

I want to thank you very much and I will call on the Senator from Pennsylvania for any comments or questions.

Senator CLARK. Thank you, Mr. Chairman.

I, too, would like to speak in the highest terms of commendation for the splendid testimony Senator Hartke has given our subcommittee in a matter of vital importance to the future well-being of our country. As the chairman said, the testimony goes far beyond the normal perfunctory senatorial testimony in support of a particularly favored bill. It gives the subcommittee some hard facts to chew on, an approach to the problem of adequate education of our youth far sounder than the one which was defeated by a narrow majority on the floor of the Senate a few weeks ago.

I think Senator Hartke and the administration proposal which we will hear about from Mr. Keppel in a few minutes give us the guidelines on which we can bring to the floor of the Senate, and I hope will have passed, a sound program in aid of students seeking higher education.

Mr. Chairman, I would like the record to note that this matter has almost of necessity been one in which the Subcommittee on Employment and Manpower has had to look into, during the course of its rather comprehensive investigation of the causes and cures for unemployment, and also for the rather startling fact that while there are enormous numbers of people seeking work they cannot find at the bottom of the pyramid, there is a rather striking and somewhat alarming shortage of qualified personnel in many of the jobs which are essential to our national well-being.

In this connection, the report of the Subcommittee on Employment and Manpower which we hope to have ready for publication within the next 2 or 3 weeks will make some recommendations which, while they are not as specific as those advocated by Senator Hartke, while they naturally will be referred to this subcommittee for final approval or anything in the education field, nonetheless, they do point out the rather close connection between massive unemployment and lack of education; a very close connection between poverty and inadequate education.

It seems to me, Senator, that as was once expressed to me by a bery able president of a very great university, there are three priorities in the area of higher education:

First, adequate support to assure a competent faculty of quality and quantity which can do the teaching necessary to instruct our youth in the educational field; second, adequate facilities, bricks and mortar, if you will, for laboratories, classrooms, and the places where college students can be trained; and finally, this highly important matter of enabling students to finance their higher education. I have been a little concerned that sometimes we have the cart before the horse, but I do think the action which the Senate has taken recently in connection with fellowships for graduate students, for the education of people moving into the teaching profession at relatively low cost, and finally, the fine legislation which was passed in aid of academic facilities, now impel us on this subcommittee to move toward this third priority, education of students.

This sounds like a rather stump speech and a comment from the subcommittee rostrum, but I would again like to commend you, Senator Hartke, and assure you that you have my strong support in seeing that all of the principles, if not all the details of your bill, are incorporated in legislation which can be brought forth from this subcommittee.

I wonder if you have had a chance to look at an interesting suggestion made by Professor Killingsworth, of Michigan, to the Subcommittee on Employment and Manpower, which is rather close to the gravemente of your bill. He thought we ought to create a sort of human FHA on college students. You put a mortgage on his head and a low rate of interest for a 40-year period, just the way you do on a house. You enable him to pay that loan off out of his income as his income improves. You give him a commitment—he makes a commitment to pay a certain amount of loan off out of his income. He could borrow up to $10,000 for his education. And this superficially made rather a favorable impact on the Employment and Manpower Subcommittee. Have you thought about this at all?

Senator Hartke. I think that is in the bill.

Senator Clark. I gathered that one of your sections had that same principle.

Senator Hartke. I think it does cover that. I think essentially, the basic idea on the loan program was the Government guaranteeing up to 90 percent. Some people wonder why not a hundred percent, but I think there is some real reason to leave some leeway there on the guarantee.

Senator Clark. I think you are right.

Senator Hartke. It does provide for a maximum loan guarantee of $2,000, $10,000 for any one student, the payment to begin in most cases 1 year after he completes his academic work and to go for a period of 10 years in repayment. I do not think this is an unreasonable time for repayment, really, and I think this type of thing really is similar to the Federal Housing Administration program for housing which has been a great boon to this country.

Incidentally, on your unemployment problems, I see you are still pursuing them. I recall our pleasant trip to Pennsylvania together on another committee along the same line.

Senator CLARK. You were a big help on that trip.

Mr. Chairman, because of the weird chaos under which the Senate of the United States operates, I am going to have to leave without hearing Mr. Keppel's testimony, but I am taking it with me. The chaos is such that I am supposed to be at the same time hearing important testimony in the Bobby Baker case and also the testimony of Mayor Wagner and other witnesses on the administration's housing program, and also supposed to be here.

I am sure in due course the support of other members of the subcommittee will go toward some kind of reasonable reorganization of the use of Senators' time.

Senator MORSE. Senator, if I read the newspapers right, I am not so sure this will not be a more educational hearing than the one on the Baker subject.

Senator CLARK. I am sure you are right.

Senator MORSE. Thank you very much for coming. We are sorry you have to go.

Senator Yarborough?

Senator YARBOROUGH. Senator, I think we all appreciate the fine research that has gone into Senator Hartke's very interesting paper. There is a vast amount of information in it.

I personally have long desired and supported a scholarship program. You will recall that during consideration of the National Defense Education Act of 1958, we lost most of the scholarship program in the Senate by only two or three votes. It was changed into a loan program. I am disturbed by this talk of 40-year loans and mortgages on the students and their future. Whether they are mortgaged to the Government or mortgaged to the bank, it smacks of the indentured servant system by which many immigrants came to America. But if that is the only way the students of America can be educated, I assume it is better to have a mortgage on them than not educate them at all.

I want to thank Senator Hartke for the very fine things he has offered here.

Senator MORSE. In reference to the scholarship program to which you spoke, that was in——

Senator YARBOROUGH. 1958, right after the Russians had put up the sputnik.

Senator MORSE. Yes. In 1962, however, we succeeded in the Senate in passing the student scholarship titles to the higher education bill but lost it in the House. We had achieved a fair compromise on it, I thought, in conference, but it was turned down in the House. I would like to think there is some hope, at least, of gaining support in both Houses for the scholarship approach. I am inclined to think that if we can arrange a factual presentation along the lines of the testimony of Senator Hartke and Commissioner Keppel this morning, we might stand a good chance of getting a scholarship program adopted.

Senator YARBOROUGH. I think Senator Hartke's bill and his contribution in the way of testimony are very good. Certainly raising the amounts of National Defense Education Act loans is a great improvement. Of course, interest on those loans begins to accrue after the student has graduated but there is a forgiveness provision for teaching—I thoroughly approve of your proposal, Senator Hartke, that the forgiveness principle be extended to teachers in colleges and universities beyond the secondary and elementary school. You have many other extensions and improvements in your bill of the National Defense Education Act. I am not going to comment on all of them, but I am hopeful that we can get some real opportunity for these gifted high school students who are unable financially to go to college and who otherwise will be kept out of college education.

I have had deans of several colleges since I have been on this committee say to me the following, but not for quotation—I would be in trouble if I put them in the record—but I have had deans of several institutions of higher learning say to me that we put the emphasis on money instead of brains in aiding the students to go to institutions of higher learning in America. I want to see the day when the emphasis will be put on the student's ability. If he has a high beginning and he has the perseverance to keep on, we might get a great contribution from some of those which show themselves from initial tests to be gifted.

I want to say, Senator Hartke, this is a very fine paper. We appreciate it in this subcommittee. Having worked on this subcommittee for 6 years, I appreciate the work that is going into this and the energy that went into this bill. I think some advantages will be gotten from it as a result of your presentation. I commend you for your interest in the youth of the country. My experience in college was somewhat similar to yours. I borrowed from college loan funds, I worked part time in the library. I worked part time as the quizmaster in law school; I hashed in boarding houses, I did all types of composites which are described in your statements, from hashing for 3 years for my board to working in college libraries to many different types of work and I ended up with owing a considerable amount of money in loans, also, both public and private.

Thank you for your contribution.

Senator MORSE. Senator Hartke, in regard to section 2(b) of your bill, I notice that it provides loan forgiveness to students who had been employed as teachers in public or private elementary or secondary school overseas of the Armed Forces and provides accelerated loan forgiveness for full-time teaching after that for each complete academic year of such service in the case of any other person.

We already have such an incentive in S. 569, which was passed by the Senate last year. It included the forgiveness provisions of your bill but did not add the acceleration provision.

Senator HARTKE. Yes, sir.

Senator MORSE. The fact that we have already passed S. 569 in the Senate, I think, augurs very well as to what the attitude of the Senate may very well be once we prove our case with respect to the work-study and scholarship program presented by you.

I want to thank you very much.

Senator HARTKE. Thank you, Mr. Chairman.

(At the direction of the chairman, additional information subsequently received from Senator Hartke follows:)

[Excerpts from the Congressional Record, of Tuesday, Feb. 4, 1964]

The Hartke College Assistance Bill

Mr. Hartke. Mr. President, yesterday I introduced a higher education student assistance bill, S. 2490. The chairman of the Education Subcommittee of the Labor and Public Welfare Committee, the able Senator from Oregon, has indicated that the he will hold hearings on this bill in the near future.

In order to clarify in an orderly and concise form just what this bill would do, I ask unanimous consent to have printed in the body of the Record a short descriptive statement, together with a table setting forth the sums of money involved and the number of students who would be assisted.

I believe, Mr. President, that this summary of the Hartke college student assistance bill, formally titled the Higher Education Student Assistance Act of 1965, will be most useful. Many persons have already written me, and doubtless other Senators have had equally heavy mail, urging support of some kind of relief from the costs of college education today. This summary and table will help to describe to them the alternative which I hope will be the eventual answer to this demand.

(There being no objection, the statement was ordered to be printed in the Record, as follows:)

National Student Financial Aid Program

Broad Purpose

Provide a multipurpose program of student financial assistance, flexible enough to meet the diverse requirements of the Nation's postsecondary institutions, and balanced between loans, scholarships and student employment activities. The basic aim of the entire program is to insure the fact that no capable student will be denied the opportunity for education beyond high school because of his or his parents' inability to meet the financial burden.

1. Undergraduate Scholarships

A program of 4-year undergraduate scholarships, to be awarded by scholarship commissions in the States to entering college freshmen. Each award is based on the individual financial need of the recipient to a maximum of $1,000 for the academic year, and may be used at any accredited 2- or 4-year higher education institution. Recipients are to be selected on the basis of academic promise and high school achievement as set forth in the State plan for scholarship competition.

2. Long-Term Student Loans

Existing National Defense Education Act, title II, authority to be broadened to add new categories of institutional participants such as 2-year technical institutes and similar postsecondary educational establishments whose programs are not specifically earmarked for transfer to the baccalaureate degree. The present ceiling on the maximum academic year loan to any one student to be increased to $1,500 at the undergraduate level and $2,500 at the graduate level. Maximum loan to any one student increased from present $5,000 to $7,500 for undergraduates and $10,000 for graduate students. Financial need test to be continued, but institutions urged to be more leinent in assessing financial need for loans than in making scholarship awards.

Annual authorizations ceiling for Federal capital contributions to be increased to $200 million in fiscal year 1965, and $250 million in fiscal year 1966.

3. Educational Loan Insurance

A program for establishing a loan guarantee fund, from which the Commissioner of Education could issue insurance certificates for college or commercial loans negotiated by college students. Eligibility for such an insured loan to be based only on full-time enrollment and continuation of satisfactory academic progress. No financial need test to be required.

The insurance feature would hasten the flow of commercial credit, and augment various State, local, and national guarantee plans now in existence. Loans so insured would be limited to $2,000 per academic year to any one borrower, and $10,000 total. Repayments could be extended for a 10-year period following graduation. Maximum Federal liability is limited to 90 percent of the balance outstanding, and maximum interest rates which may be charged are to be set by by the Commissioner.

An initial revolving insurance fund of $1 million to be authorized and augmented by a one-quarter percent per annum interest charge levied on all insured loans.

4. STUDENT WORK-STUDY PROGRAM

A program for establishing and supporting student employment opportunity within institutions of higher education. Eligibility limited to students who are in need of employment income to pursue a full-time course of study or who, as a condition of the course of study must undertake a period of full-time training, such as those for the public school teaching intern or teacher aid, community welfare trainee, nursing trainee, teaching and research assistant; and similar programs with a substantial educational or public service content.

Total payment to any one student limited to $1,000 per academic year at the undergraduate level, and $2,000 at the graduate level. Authorization for the first year $250 million to be allocated among the States, and within the State among eligible institutions of higher education.

ESTIMATED AUTHORIZATIONS AND NUMBERS OF STUDENTS SERVED

1. Undergraduate scholarships: At an estimated average of $750 per award, 50,000 entering freshmen would be assisted the first year.
2. Title II, National Defense Education Act, long-term low interest loans: With $200 million in Federal capital, $22 million in institutional capital and an estimated $12.5 million in repayments and carryover (committed funds), some 470,000 students could receive assistance at the present average of $500 per year per borrower.
3. Educational loan insurance: For 1965, at an average of $900 per borrower, some 55,000 students could receive insured loans.
4. Student work-study: For 1965, an average payment of $750 per year per student, would provide employment for 330,000 undergraduate and graduate students.

DISTRIBUTION OF FUNDS

Under items 2 and 4, on the basis of State allotment set by enrollment levels for institutions of higher education, including technical institutes and other post-secondary nondegree institutions. Under item 3, assignment of institutional quotas of loans to be insured, national aggregates not to exceed $50 million for fiscal year 1965 and $100 million for fiscal year 1966. Under item 1, a $37,500,000 authorization for fiscal year 1965 would be distributed among the States on a formula basis derived from the number of secondary school graduates and the population age group 14 to 17 in each State.

Summary

Program	1965		1966		1967		1968	
	New obligational authority	Students aided	New obligational authority	Students aided	New obligational authority	Students aided	New obligational authority	Students aided
Undergraduate scholarships	$37,500,000	50,000	$75,000,000	100,000	$112,504,000	150,000	$150,000,000	200,000
Student loans	[1] 65,000,000	470,000	250,000,000	600,000	250,000,000	600,000	250,000,000	600,000
Loan insurance	1,000,000	55,000	1,000,000	110,000	------------	110,000	------------	110,000
Work study	250,000,000	330,000	250,000,000	330,000	250,000,000	330,000	250,000,000	330,000
Total	353,500,000	--------	576,000,000	--------	612,504,000	--------	650,000,000	--------

[1] $135,000,000 now authorized under title II of the National Defense Education Act for fiscal year 1965.

SUPPORT DATA—NATIONAL STUDENT FINANCIAL AID PROGRAM

Undergraduate scholarships

1. In the fall of 1964, it is currently estimated that 1.2 million students will enter college as freshmen. Thistlethwaite's study on the recruitment and retention of talented college students, done on the more than 300,000 applicants in the National Merit Scholarship Competition in 1958–59, indicates that approximately 10 percent of the qualified college potential entrants (those in the upper 30 percent) of the merit competition, did not enter college. The largest single factor inhibiting college entrance was the lack of adequate financing.

A general application of this index to the 1964 entering group would indicate that some 120,000 qualified entrants (10 percent of those who actually enter) will not go on to college in September 1964. Against a net loss of 120,000 students, a recommended Federal scholarship program of 50,000 awards the first year is a modest effort.

The basic drive in this program is to seek out and identify the qualified student who by virtue of economic, family, and other reasons is effectively prevented from going on to college. In each State, under the auspices of a State scholarship commission, an intensive annual competition, utilizing the guidance resources of every high school, could accomplish this goal. In a sense, the purpose here is to undergird the more specialized efforts of the individual colleges and universities—who seek to do the same thing, with their own admissions and financial aid staffs.

EXPANSION OF TITLE II, NATIONAL DEFENSE EDUCATION ACT STUDENT LOANS

2. The more than 1,550 colleges now participating in the National Defense Education Act II loan program have already projected their lending requirements for 1964–65 at $171 million. At an estimated $500 loan per year, per student, some 370,000 students will be provided assistance during that year. This is slightly more than 8 percent of the total projected college enrollment of 4.5 million in 1964–65.

If the program is broadened to include non-degree-granting institutions with either 2- or 3-year programs, and if institutions are encouraged to make some differentiation between application of the financial needs test for scholarship assistance as compared to loans, an estimated 100,000 new borrowers would be brought into the number requiring assistance.

Educational loan insurance

3. The levels of student and institutional participation in this program are extremely difficult to predict. Since the program would be operated at no cost to the Government, it should be viewed here as a sort of pilot program, in much the same context as the National Defense Education Act program was held in 1958.

Student work-study programs

4. With broadened categories of work-study programs, including those which provide for a period of off-campus internship or training, our best estimate of the outside college requirement is $250 million for some 330,000 students. It must be pointed out, however, that the entire drive of this program is toward better programs of professional preparation for careers, and not a make-work system to keep students busy.

In conclusion, experts in the field of student financial aid indicate that there is an unfilled financial need gap nationally of some $750 million annually. These programs would move steadily in the direction of closing such a gap.

Estimated distribution of $250,000,000 as proposed in S. 2490, amending National Defense Education Act of 1958, as amended, title II–D, work-study programs

	Estimated State allotments [1]
United States and outlying parts	$250, 000, 000
50 States and District of Columbia	248, 343, 709
Alabama	3, 270, 800
Alaska	96, 205
Arizona	2, 444, 582
Arkansas	2, 123, 284
California	28, 878, 322
Colorado	3, 318, 440
Connecticut	3, 097, 817
Delaware	495, 746
Florida	5, 472, 481
Georgia	4, 015, 769
Hawaii	827, 760
Idaho	976, 461
Illinois	12, 097, 105
Indiana	6, 826, 360
Iowa	4, 532, 329
Kansas	3, 887, 573
Kentucky	3, 362, 380
Louisiana	4, 309, 702
Maine	1, 021, 480
Maryland	3, 456, 811
Massachusetts	9, 505, 826
Michigan	10, 856, 313
Minnesota	5, 779, 442
Mississippi	2, 847, 901
Missouri	5, 936, 160
Montana	1, 093, 247

50 States and District of Columbia—Con.	Estimated State allotments [1]
Nebraska	2, 258, 880
Nevada	256, 006
New Hampshire	988, 024
New Jersey	4, 632, 388
New Mexico	1, 218, 976
New York	22, 568, 214
North Carolina	6, 120, 629
North Dakota	1, 204, 869
Ohio	11, 840, 714
Oklahoma	4, 013, 071
Oregon	3, 320, 676
Pennsylvania	13, 136, 392
Rhode Island	1, 325, 742
South Carolina	2, 423, 460
South Dakota	1, 105, 427
Tennessee	4, 668, 310
Texas	13, 196, 981
Utah	2, 793, 169
Vermont	870, 466
Virginia	4, 109, 892
Washington	4, 933, 798
West Virginia	2, 087, 747
Wisconsin	6, 005, 461
Wyoming	528, 277
District of Columbia	2, 205, 844
American Samoa	
Canal Zone	33, 610
Guam	24, 514
Puerto Rico	1, 595, 392
Virgin Islands	2, 775

[1] Distribution made on the basis of estimated total full-time enrollment in institutions of higher education, fall 1963.

Estimated distribution of $37,500,000 as proposed in S. 2490, amending National Defense Education Act of 1958, as amended, title II–B undergraduate scholarships

	Estimated State allotments [1]
United States and outlying parts	$37, 500, 000
50 States and the District of Columbia	36, 750, 000
Alabama	715, 803
Alaska	33, 964
Arizona	287, 062
Arkansas	405, 284
California	3, 270, 715
Colorado	359, 665
Connecticut	511, 717
Delaware	87, 679
Florida	915, 207
Georgia	813, 417
Hawaii	162, 534
Idaho	164, 335
Illinois	1, 920, 310
Indiana	952, 687
Iowa	599, 344
Kansas	475, 218
Kentucky	611, 815
Louisiana	682, 053
Maine	206, 521
Maryland	622, 867
Massachusetts	1, 039, 220
Michigan	1, 642, 306
Minnesota	756, 353
Mississippi	480, 243
Missouri	861, 925
Montana	151, 784
50 States and the District of Columbia—Con.	
Nebraska	$299, 780
Nevada	55, 339
New Hampshire	122, 241
New Jersey	1, 185, 602
New Mexico	197, 955
New York	3, 167, 071
North Carolina	1, 020, 610
North Dakota	161, 494
Ohio	1, 897, 112
Oklahoma	510, 109
Oregon	397, 343
Pennsylvania	2, 316, 444
Rhode Island	161, 523
South Carolina	545, 467
South Dakota	157, 482
Tennessee	750, 984
Texas	1, 891, 574
Utah	217, 501
Vermont	88, 241
Virginia	775, 060
Washington	628, 058
West Virginia	418, 438
Wisconsin	876, 013
Wyoming	71, 175
District of Columbia	107, 356
American Samoa, Canal Zone, Guam, Puerto Rico, Virgin Islands	750, 000

[1] 98 percent of $37,500,000 ($36,750,000) distributed to the 50 States and the District of Columbia, ½ on the basis of total high school graduates, 1962–63 and ½ on the basis of 14 to 17 population, Apr. 1, 1960. 2 percent ($750,000) held for distribution to the outlying parts.

Senator MORSE. The next witness will be Mr. Keppel, the Commissioner of Education, to whom this subcommittee is very indebted for things he has done in the past and will be again doing this morning.

I do not want to embarrass Mr. Keppel, but I sure want to go on public record as I went on private record the other night.

In fact, these comments might be considered to be a little bit of lobbying on my part. I met with a group of educators the other night and they said, "We are a little worried."

"What is worrying you now?"

"We are worrying because the rumors are flying that we may lose Dr. Keppel."

I said I hadn't heard the rumor. I can understand someone leaving the Government service, because every once in a while, I pinch myself and wonder what I am doing in it. But I said to them, the first chance I have I am going to twist his arm. I am doing it right now in public. I want to say that in my judgment any thought of losing Mr. Keppel from our U.S. Office of Education would be a terrific loss to the people of this country.

I want to thank you for the service that you are rendering and I want to plead with you to continue to make the personal sacrifices I am sure you are making by occupying your present position and continue to occupy it.

I am all through with my lobbying speech. I want to hear your statement on the bill.

STATEMENT OF FRANCIS KEPPEL, U.S. COMMISSIONER OF EDUCATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE; ACCOMPANIED BY PETER MUIRHEAD, ASSISTANT COMMISSIONER, AND DIRECTOR, OFFICE OF PROGRAM AND LEGISLATIVE PLANNING; AND JAMES W. MOORE, DIRECTOR, PROGRAM PLANNING BRANCH

Mr. KEPPEL. I want to thank you very much for presenting me with an honorary degree which I do not deserve but for which I am very, very grateful.

I want to assure you that I want to stay in the job.

Senator MORSE. I am very glad to hear it.

The record should show that Mr. Keppel is accompanied by Dr. Peter Muirhead and Mr. James W. Moore.

Dr. Muirhead is Assistant Commissioner and Director of the Office of Program and Legislative Planning.

Mr. Moore is Director of the Program Planning Branch.

Mr. KEPPEL. If it is convenient to you, Mr. Chairman, I wonder if it would be helpful if I briefed the testimony I have here, because a good deal of it duplicates the material that was so well stated by Senator Hartke.

Senator MORSE. We will be very glad to insert your prepared statement in the record at this point. We shall also include the tabular and chart material. You may proceed to summarize it by briefing the subcommittee.

Mr. KEPPEL. Thank you, sir.

(The prepared statement of Commissioner Keppel follows:)

PREPARED STATEMENT BY FRANCIS KEPPEL, COMMISSIONER OF EDUCATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Mr. Chairman and members of the Subcommittee on Education, I am delighted to be with you this morning to discuss the need for expanded Federal programs of college-level student financial assistance.

Senate bill 2490, introduced by the senior Senator from Indiana, Mr. Hartke, and the desire of your subcommittee to give further attention today to the proposals of the administration in title I of the National Education Improvement Act are a continuing reflection of the purpose and wisdom of the Congress which, during recent months, has given historic legislative leadership to the course of our State-local-Federal and our public-private partnerships in education. From these landmark—and I think that is the right word—measures, American education can continue as the great moving force for the lasting benefit of our people and our country.

We are deeply grateful for the wise educational measures which the 88th Congress in its 1st session has authorized. We see in this second session the prospect of completing the further foundations to strengthen our whole house of education. Never have we been so aware of the sober simplicity of the truth uttered by our late President Kennedy in his 1961 message on education: "Our progress as a nation can be no swifter than our progress in education. Our requirements for world leadership, our hopes for economic growth, and the demands of citizenship itself in an era such as this all require the maximum development of every young American's capacity. The human mind is our fundamental resource." The legislation before you today will contribute materially to the progress in education which we are pledged together to bring about.

While our discussion this morning concerns the need for expanding opportunity in higher education, I know that this committee will not ignore the even more pressing need to undergird the entire structure of American public education.

The momentous achievements of the Education Congress of 1963—and they were momentous—are simply no substitute for the firm foundations we must build beneath our entire educational structure. When President Kennedy reminded us that "Education is the keystone in the arch of freedom and progress," he was speaking of all education and not merely of its separate parts. We have yet to meet the growing problems of overcrowded classrooms, poorly paid teachers, outmoded curriculums, unimaginative teaching, and the cultural poverty which defeats our best efforts at making elementary and secondary education a quality experience for all our children.

In short, in the words of President Johnson, "Let us continue." Let us together complete the work of strengthening the entire house of education.

Let me turn now to the recommendations of the administration for expanded student financial assistance, showing how these proposals relate to the broad problem attacked by S. 2490. As you know, the National Education Improvement Act of 1963 provides for the expansion of opportunities for individuals in higher education through several amendments to the National Defense Education Act. These proposals, in general, track the intent of Senator Hartke's bill and, therefore, provide a useful backdrop fr our consideration this morning.

Our Nation's ideals as well as our intellectual, economic, scientific, and cultural growth require that every individual has an opportunity to attain the highest level of education of which he is capable. Today, unfortunately, the rising costs of college constitute a barrier for many students of modest means who might otherwise attain advanced education.

Historically, the GI bills constituted the most comprehensive effort to help qualified students obtain a college education. It is true that this legislation was designed primarily to help veterans readjust from a war to a peacetime economy. It provided little assistance for the education of women, when our loss of talent was and still is acute. But, for a period of time, the GI bill did give our young people a wider opportunity for education at undergraduate and graduate levels than any legislation before or since. This opportunity does not prevail today.

Indeed, the rising costs of education have now narrowed the potential scope of higher education at precisely the time when highly trained manpower is in short supply thus constituting an acute weakness in our national economic growth. Every prognosis—from industry, government, and education itself—tells us that the gravity of this situation will increase unless we plan otherwise. This morning, therefore, I should like to speculate with you as to whether we can be confident that what we are now doing in student aid is serving us half so well as the measures of a generation past.

Let me turn first to the question of college costs. The committee will note from the chart and table attached to my statement how much the costs of college have risen in recent years and are projected to rise in the years ahead. In public institutions, for example, they range from an average of $730 in 1930 to a predicted $2,400 by 1980. In the school year 1962–63, the average direct cost of attending college was approximately $1,480 in public institutions and $2,240 in private institutions. When we compare these costs with today's annual median family income of $6,000, it is evident how substantial an outlay college education now represents for American families. As a major item of family expenditure, it is exceeded only by the cost of a home.

It is no wonder, then, that each year more than 100,000 high school graduates with high aptitudes and interest in college fail to continue their education because of financial inability. According to findings in 1962 by the Office of Education-financed Project Talent, 30 percent of high school seniors in the 80 to 90 academic percentile of their class and 43 percent of those in the 70 to 80 percentile failed to enter college.

Other findings of Project Talent, released only a few days ago, demonstrate that youths from low-income families, regardless of academic ability, have a far poorer chance of going to college than their classmates from upper income families. Students in the top 2 percent of their class reach college regardless of family income because numerous colleges are on the lookout for such exceptional candidates. But, as the accompanying exhibit shows, of boys in the second quarter in general college aptitude, 51.8 percent from families with incomes below $3,000 per year will fail to enter college, as contrasted with only 20.3 percent from families with incomes above $12,000. For girls the situation is even more inequitable; in the second quarter in general college aptitude, 74.8 percent of students from families with incomes below $3,000 annually fail to enter college compared with 29.2 percent from families with incomes over $12,000.

I think it is shameful that this Nation permits income to determine who shall be educated and who shall not, and, hence, who shall rise to positions of leadership and personal fulfillment and who shall not.

Moreover, enrollment figures indicate that approximately 40 percent of all students who begin college withdraw before graduation. Again, many of these are talented but leave college because of financial hardship. Surely this is an intolerable loss to the Nation of urgently needed college-trained manpower.

Whenever we deny an American youngster with college capabilities an opportunity for a college education, we do not simply limit one individual's potential—we also retard the Nation's intellectual and scientific advancement, we slow its economic growth, we diminish its future leadership.

TITLE II—NATIONAL DEFENSE STUDENT LOANS

The Congress, through the NDEA, has performed an immeasurable service in aiding and encouraging colleges and universities to create student loan funds to assist talented but needy students to complete their education. In view of the magnitude and achievements of the NDEA loan program, it is hard to believe that only 5 years ago most of the institutions of higher education in this country had never made a loan to a student and not more than 100 institutions had loan programs totaling more than a few thousand dollars annually. Today, 15 times as many colleges now have loan programs to aid needy students. This is Federal aid at its best—stimulative rather than preemptive. In that short period of time, a veritable revolution has taken place.

A few statistics on the achievements of title II of the NDEA may be of interest to the committee. Through fiscal year 1963, more than 497,000 students borrowed approximately $325 million from the student loan funds of 1,526 colleges and universities. Almost 325,000 propsective teachers borrowed under the program; $4 million of loan principal and interest was canceled for actual teaching service. During this brief period of 5 years, loan repayments approached $11 million and losses to the Federal Government were relatively small.

This is not to say that the student loan program, as presently constituted, does not have problems. College costs, as noted, are rising. Student enrollments are mounting. New colleges are being created, each requiring a portion of the limited NDEA student loan funds. And inevitably the problems of collection will become increasingly serious.

The amendment to this title made in December by Public Law 88–210 has helped immensely. The former annual ceiling of $90 million has now been replaced by a ceiling of $125 million for the current fiscal year and by a ceiling of $135 million for the next fiscal year. The recently enacted supplemental appropriation act provides for the full funding of all approved institutional requests in the current year. But, we must look ahead.

For the coming fiscal year, we have received gross requests of $142 million Because of the recent enactments, we have canceled the former deadline of November 30 for institutional requests and have extended it until March 2. We expect that at least 25 new colleges will enter the program and that some of the current participants will amend their requests. It is still our judgment that the current authorization of $135 million will be adequate for fiscal year 1965. Beyond that, we believe that ceilings should be raised to $155 million in fiscal 1966.

In December, the Congress also raised the annual institutional ceiling from its former $250,000 level to $800,000. At present, only the University of Minnesota is penalzied by this ceiling; next year, we know that 11 universities will probably be similarly restricted, as the attached exhibit shows. In subsequent years, many other large State universities may not receive the full amount of their approved requests. Therefore, Mr. Chairman, we reiterate our request that the annual institutional ceiling be removed completely.

Under provisions of S. 2490, eligibility for participation in the loan program would be extended to public and nonprofit private technical institutes which offer 2-year courses of study designed to prepare the student for work as a technician or at a semiprofessional level in engineering, scientific, or other technological fields. Further, S. 2490 would increase the amount any one graduate student may borrow, extend the program by 3 years, and make other technical changes in the statute. All of these amendments would add significant measures of flexibility to the program's operation and should be made, in our judgment.

Before moving on to other programs, with your permission, I would like the record to show at this point some basic and detailed facts about the operations of the National Defense Education Act student loan program.

ADDITIONAL STUDENT AID

Just as a college or university would reject the idea that a student loan program is the only effective form of student financial assistance, so should the Congress, in our judgment, regard the National Defense Education Act student loan program as a partial rather than a complete solution to the growing problems of student financial aid. To accept loan funds as the only answer would mean, generally, that those going to college from the lowest income groups would graduate from college with the greatest burden of debt.

There is a psychological "peril point" of indebtedness which college student aid counselors often encounter among students from low income families. To many of these students and their parents, an indebtedness of several thousand dollars is frightening. Too often it discourages the student who withdraws from college "temporarily" in order to earn some money before continuing his education. But many who withdraw "temporarily" never return. A work-study program, augmenting the loan program, would permit many of these students to complete the requirements for their college degree without exceeding what, in their opinion, is a manageable level of indebtedness.

Through the funds proposed in S. 580 for the administration's work-study program, assuming average annual undergraduate earnings of $500, some 90,000 college students would benefit in the first year of operation. To summarize other advantages of the work-study program:

It would encourage high school graduates with ability and financial need to continue their education beyond high school. It would reduce the number of students with demonstrated college ability who now withdraw for financial reasons. It would enable students to gain educational advantages from their work experience because of the nature of the work itself and because of their close association with college faculties and staff. It would provide earning opportunities to students attending colleges in rural communities where offcampus work is scarce.

Additionally, the work-study program would contribute to the better utilization of our increasingly limited number of college teachers, with a resulting improvement in college teaching. Overworked teachers of freshman classes could be provided with senior or graduate students majoring in the subject to read papers and correct examinations. Graduate students could provide assistance in laboratory classes in the sciences and engineering. Students in English or business administration could gain valuable experience by working for the university press or for the finance or publications offices.

The work-study proposal in S. 2490 goes beyond that proposed by the administration in S. 580 both in work opportunities and in the Federal share. In addition to work opportunities aline fairly closely with the education and research programs carried on within the institution, authority is also provided for employment of a public service character, in such fields as health, welfare, recreation, and social work in addition to education. Further, the proposal adds a second work category to the part-time activity which parallels full-time study. This added authority would permit support of the student engaged in full-time employment related to his course of study. Such persons as student teachers, teacher aids, recreation assistants, social workers, and graduates in a variety of health service fields would conceivably fall in this category.

It seems to us that the most appropriate role for the Federal Government to play in the field of college work study at this time is that outlined in title I–C of S. 580. Most college work-study programs are presently campus oriented and it would seem advisable to build upon this experience in the initial stages of this program. On the basis of the $22.5 million pilot program recommended under S. 580, we could gain experience which, at a later date, would allow us to consider broader proposals.

It is also becoming abundantly clear that many families of middle-upper income with several college-age children are finding it increasingly difficult to meet the costs of multiple college tuitions out of current income. These families are not usually eligible for any significant loan or scholarship aid under the income limitations applied by most colleges. On the other hand, they are typically credit worthy and accustomed to assuming large financial obligations. The administration, therefore, has proposed a new program of federally insured commercial loans for college students from those 6 million families in the middle-upper income category. Assuming average annual loans of $1,000—twice that of the National Defense Education Act—some 150,000 additional students would be aided, 25,000 in the first year of the program.

Title I–B of S. 580 and an enlarged proposal under S. 2490 would create this self-supporting loan insurance mechanism, which would be similar to that successfully developed by the Federal Housing Administration and other Federal lending agencies. It would encourage more banks and other credit institutions to lend funds for educational purposes on repayment terms suited to the special needs of these students and their parents, permitting the high cost of college attendance to be spread over a longer period of time. The proposed college loan insurance program would also greatly supplement with additional private credit the limited lending capacity of the colleges, the direct loans through the National Defense Education Act program, and the pioneering efforts of some State funds and other commercial lenders.

National Defense Education Act student loans, the proposed federally insured loan program, and the work-study plan should considerably help in meeting the Federal Government's responsibility to enlarge the possibility of college for well-qualified high school graduates. But even these measures, good as they are, may not go far enough.

If our policy is to insure that our best will be given a chance to do their level best—and our national security would seem to demand no less—we must consider the need for other and future measures. For a nation whose citizens hold the high educational aspirations for our youth that we do, the thought of "closing the college door" to thousands of able but financially needy young people is intolerable. Whether the national stake in developing our most precious resource—our youth—to the highest level is sufficiently critical to warrant a further Federal student financial aid effort would seem to require an early resolution. The suggestion that it may not seems curiously obsolete in the light of what we know now about the impact of education on the health of our economy.

In the final analysis, the strength of our Nation must depend upon the full development of the talents of our young people. We must face up to this basic truth and take deliberate steps to help remove the insuperable financial barriers to a college education now confronting the children from families that cannot afford to pay the rising costs of a college education.

It gains us nothing to extol the diligence and stick-to-it-iveness that perhaps marked our own efforts to get a college education. Those days were characterized by college costs that were but a fraction of today's costs. Today's youth are not lacking in the virtues that prompted their elders to "work their way through college," but they are presented with a problem of meeting costs that makes the task a good deal more formidable—costs that, if they had to earn all of them, would seriously impair the value of the college education they are seeking. Comparisons of increased family income levels in the past decade and the increased out-of-pocket cost of attending college, all show a faster rate of growth in the cost-of-education figure.

When the student financial aid resources of our colleges rise to the point where any able high school graduate, through a combination of parental help, loans, work-study, and grants, can enter and remain in college, we will have made a significant step toward the realization of a basic American ideal—equality of opportunity for a quality education for all.

The proposals for extending the National Defense Education Act student loan program and establishing a work-study program are addressed to this end. But, as I have already indicated, there are annually more than 100,000 high school graduates of outstanding ability who fail to continue their education because they cannot surmount the economic hurdle of higher education costs. This group of superior high school graduates, whose families lack adequate financial resources, constitutes a reservoir of potential leadership that we can ill afford to leave untapped—both in terms of our national strength and security and our ideals of individual development.

For these reasons, let me turn to a discussion of scholarships as one aspect of student aid.

SCHOLARSHIPS

The scholarship assistance that has been available to students from private and institutional sources has been too limited, not only in the number of scholarships but also in the size of the stipend. Often, the award so small that it fails to do the job that is needed. The scholarship program proposed by S. 2490 would provide aid to those students most in need of help. It would provide effective scholarships in that the funds available would be sufficient to allow a student, by supplementing the grants with a loan and a job, to enter college and reach his educational goal.

Admittedly, many factors, some of which are difficult to isolate, play an important part in determining higher education plans. However, there is considerable evidence that early identification of talented youth and proper guidance, coupled with adequate financial aid, would immediately induce larger numbers of talented but needy youth to develop their full capacities through higher education.

Since the waning of the GI bills, we have, as a nation, turned our backs on undergraduate scholarship assistance. We have done so with various plausible arguments. Some say that scholarships are exclusively a private, rather than a public, responsibility. Some say that undergraduate schooling is a State and local, but not a Federal, obligation. Some say that our youth, if sufficiently determined, can always make their way through college. Some, moreover, declare that increased college enrollments show that there is no problem, neglecting to note that the job market for college graduates is increasing much faster than our manpower supply and that aspirations for higher education by our youth continue to rise with each generation.

Some of these same ideas, I would add, prevailed 6 years ago, when many persons challenged the loan concept in the National Defense Education Act on the grounds that students simply would not borrow to go to college.

Despite this climate of erroneous opinion, we are making some important progress. Through the programs of the National Defense Education Act we can now identify these needy and deserving youngsters early enough to do something about them; we are improving the guidance services available to them in their schools; and we are seeking to improve the quality of their schoolwork.

Analysis of data from the Project Talent studies, derived from the largest student sample every surveyed, is beginning to show the characteristics of our lost talent in terms so specific that they can no longer be ignored.

A program along the lines of S. 2490 would carry out the recommendation of President Kennedy in his 1961 message to the Congress on education: "We must assure ourselves that every talented young person who has the ability to pursue a program of higher education will be able to do so if he chooses, regardless of his financial means."

The program is designed to provide during the next 4 years a total of 200,000 4-year undergraduate scholarship awards. It is estimated that the 1965 authorization would provide a total of 50,000 scholarships. These moneys would be allotted to the States on the basis of a formula taking into account in each State the number of students of high school age and the number of high school graduates.

Each State participating in the program would be asked to establish a scholarship commission broadly representative of the high schools and colleges and of the public. This commission would sponsor within the State a competitive program for high school seniors, each of whom would be competing on the basis of ability and need with other seniors from his own State. Such an annual competition would reach into every corner of every State, and by seeking out the talented but financially hard-pressed student, would support and augment the present efforts of high school counselors and college admissions officers.

A program similar to this has, of course, already been endorsed when in 1961, your committee and the Senate approved S. 1241. Unfortunately, however, final enactment of a scholarship program awaits a clearer understanding on the part of the Congress and the public both of the critical need for and an effective way to utilize Federal resources in resolving the financial aid problem.

For this reason, the administration, rather than again submit a scholarship proposal for the consideration of the Congress, has suggested a comprehensive, thoroughgoing national study to determine why able young persons fail to attend or fail to complete college and in what way Federal resources can be effectively utilized to assist with this problem. This, it seems to me, is a reasonable and prudent approach to an important public policy question that several Congresses have deliberated without resolution.

American education today has been strengthened through the bipartisan enactment of the National Defense Education Act of 1958 and the landmark legislation of 1963. The same considered and purposeful efforts this year will enable us to complete the remaining agenda for education which was introduced to the 88th Congress last year.

I am sure that this subcommittee, which has already done so much for American education and for students of all ages, will not rest until these tasks are completed.

EXHIBIT 1

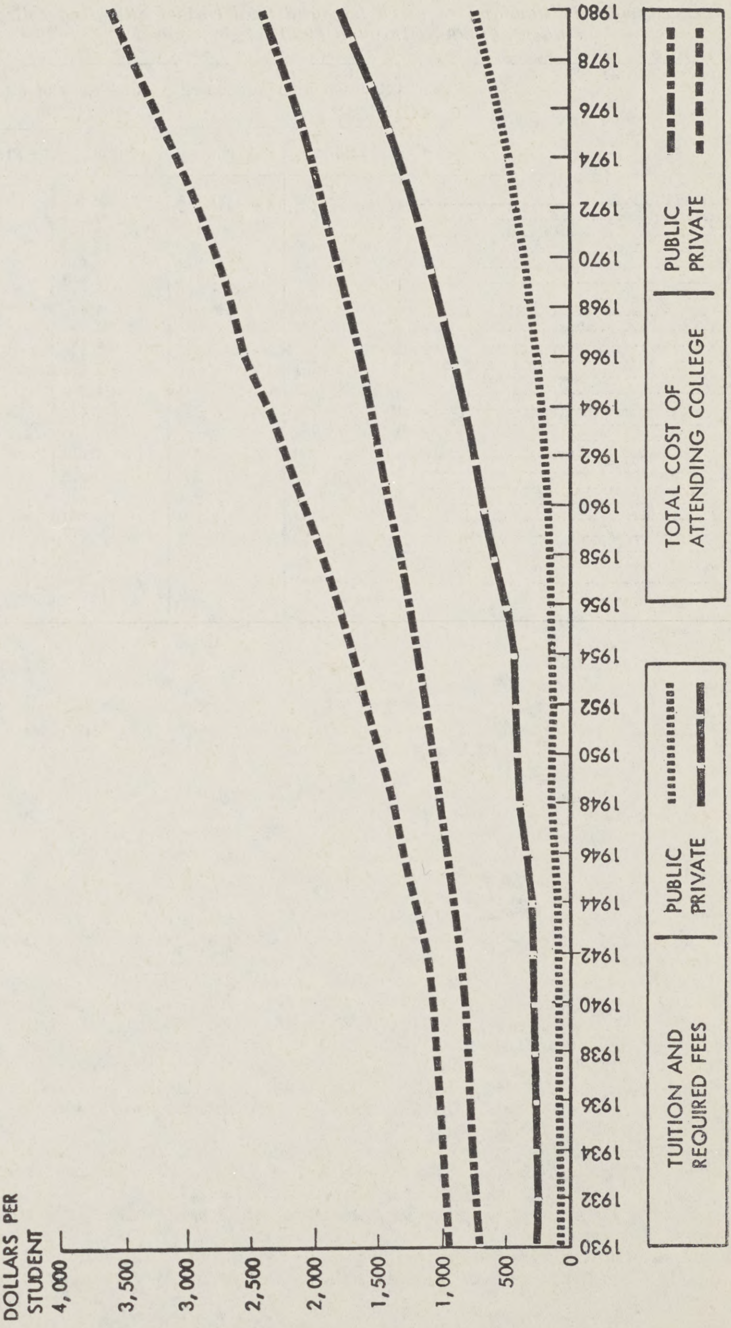

DOLLARS PER STUDENT
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
0
1930
1932
1934
1936
1938
1940
1942
1944
1946
1948
1950
1952
1954
1956
1958
1960
1962
1964
1966
1968
1970
1972
1974
1976
1978
1980
TUITION AND REQUIRED FEES
PUBLIC
PRIVATE
TOTAL COST OF ATTENDING COLLEGE
PUBLIC
PRIVATE

EXHIBIT 2

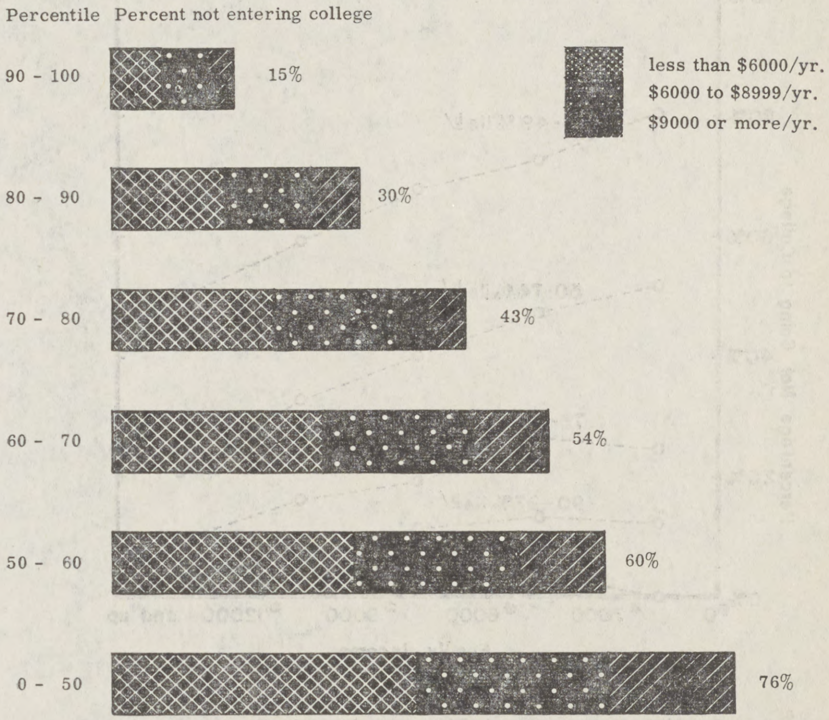
Estimated costs for tuition and required fees and total cost of attending college, per student, 1930–31 through 1980–81, by control

Year	Tuition and required fees		Total costs of attending college	
	Public	Private	Public	Private
1980–81	$760	$1,815	$2,400	$3,640
1978–79	653	1,647	2,270	3,450
1976–77	560	1,494	2,160	3,280
1974–75	480	1,355	2,040	3,100
1972–73	411	1,229	1,940	2,940
1970–71	353	1,115	1,840	2,780
1968–69	303	1,011	1,740	2,640
1966–67	260	917	1,640	2,570
1964–65	222	831	1,560	2,730
1962–63	191	753	1,480	2,240
1960–61	179	676	1,400	2,090
1958–59	164	584	1,330	1,950
1956–57	142	495	1,260	1,820
1954–55	139	438	1,190	1,700
1952–53	137	420	1,130	1,590
1950–51	138	414	1,070	1,480
1948–49	140	396	1,010	1,380
1946–47	125	330	960	1,290
1944–45	95	280	910	1,200
1942–43	88	276	860	1,120
1940–41	82	270	830	1,080
1938–39	79	256	810	1,050
1936–37	78	253	790	1,020
1934–35	75	252	770	1,000
1932–33	71	251	750	980
1930–31	71	252	730	960

EXHIBIT 3

Project TALENT
5 March 1962

Percent of High School Seniors not Entering College*
by Scholastic Aptitude** and Income***



* College attendance or non-attendance as reported by students on follow-up questionnaire one year after testing (1961).

** Scholastic Aptitude as measured by composite of four Project TALENT Tests (1960).

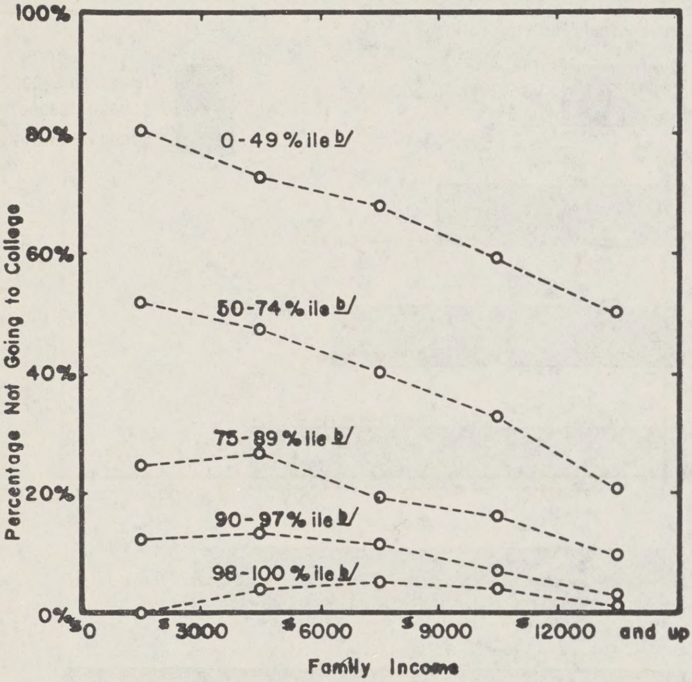
*** Income as measured by reported family income from Project TALENT Student Information Blank, Item 173 (1960).

Note: Project TALENT - Office of Education Cooperative Research Program, Project 226.

EXHIBIT 4

28 January, 1964

Percentages of Male High School Graduates Who Did Not Enter College Within One Year After Completing Grade Twelve, a/ by Aptitude Percentile b/ and Family Income c/



a/ College attendance was reported by respondents to the mail questionnaire who constituted about 67 per cent of the Project TALENT sample of twelfth-grade pupils.

b/ Academic aptitude was measured by a composite of nine Project TALENT tests (C-002). Percentiles are based on a representative sample of pupils in grade 12 (March-April).

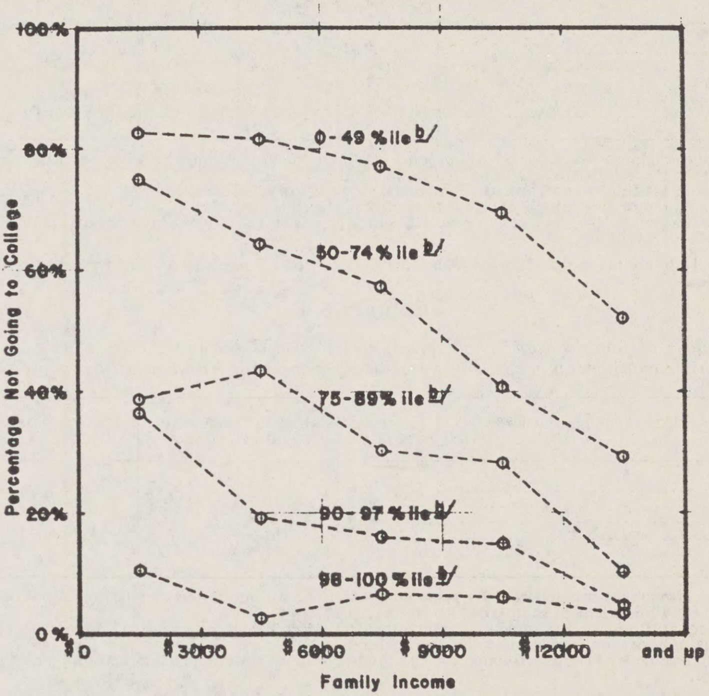
c/ Family income for 1959, as estimated by twelfth-grade pupils on the Student Information Blank, Item no. 173, in 1960.

Note: Data are taken from Project TALENT in U. S. Office of Education Cooperative Research Program, Project 2333.

EXHIBIT 4-B

4 February 1964

Percentages of Female High School Graduates Who Did Not Enter College Within One Year After Completing Grade Twelve, a/ by Aptitude Percentile b/ and Family Income c/



a/ College attendance was reported by respondents to the mail questionnaire who constituted about 67 per cent of the Project TALENT sample of twelfth-grade pupils.

b/ Academic aptitude was measured by a composite of nine Project TALENT tests (C-002). Percentiles are based on a representative sample of pupils in grade 12 (March-April).

c/ Family income for 1959, as estimated by twelfth-grade pupils on the Student Information Blank, Item 173, in 1960.

Note: Data are taken from Project TALENT in U. S. Office of Education Cooperative Research Program, Project 2333.

EXHIBIT 5

Percentages of male high school graduates who did not enter college within 1 year after completing grade 12,[1] by aptitude percentile,[2] and family income [3]

Aptitude level percentile	Less than $3,000	$3,000 to $5,999	$6,000 to $8,999	$9,000 to $11,999	$12,000 and up
98 to 100	0	3.9	4.8	4.1	1.5
90 to 97.9	12.1	13.3	11.4	7.5	3.3
75 to 89.9	24.6	26.7	19.4	16.1	9.9
50 to 74.9	51.8	47.5	40.3	33.2	20.3
0 to 49.9	80.4	72.7	68.1	59.8	50.3

[1] College attendance was reported by respondents to the mail questionnaire who constituted about 67 percent of the Project Talent sample of 12th grade pupils.
[2] Academic aptitude was measured by a composite of 9 Project Talent tests (C–002). Percentiles are based on a representative sample of pupils in grade 12 (March–April).
[3] Family income for 1959, as estimated by 12th grade pupils on the student information blank, item No. 173, in 1960.

NOTE.—Data are taken from Project Talent in U.S. Office of Education cooperative research program, project 2333.

EXHIBIT 5–B

Percentages of female high school graduates who did not enter college within 1 year after completing grade 12,[1] by aptitude percentile [2] and family income [3]

Aptitude level percentile	Less than $3,000	$3,000 to $5,999	$6,000 to $8,999	$9,000 to $11,999	$12,000 and up
98 to 100	10.5	2.5	6.7	6.0	3.2
90 to 97.9	36.7	19.2	16.1	14.9	4.8
75 to 89.9	38.9	43.2	30.2	28.2	10.1
50 to 74.9	74.8	64.2	57.4	40.8	29.2
0 to 49.9	82.6	81.8	77.2	69.6	52.1

[1] College attendance was reported by respondents to the mail questionnaire who constituted about 67 percent of the Project Talent sample of 12th grade pupils.
[2] Academic aptitude was measured by a composite of 9 Project Talent tests (C–002). Percentiles are based on a representative sample of pupils in grade 12 (March–April).
[3] Family income for 1959, as estimated by 12th grade pupils on the student information blank, item No. 173, in 1960.

NOTE.—Data are taken from Project Talent in U.S. Office of Education cooperative research program, project 2333.

EXHIBIT 6

NATIONAL DEFENSE EDUCATION ACT STUDENT LOAN PROGRAM—SOME BASIC FACTS

Fiscal year 1963

Authorization	$90,000,000
Allocation:	
Loans to students	103,727,964
Loans to institutions	773,353
Total	104,501,317
Institutional contribution	9,284,670
Grand total	113,785,987
Number of institutions participating	1,526

Data from fiscal report giving cumulative figures on operation of program as of June 30, 1963

Federal capital contribution	$292, 243, 995
Institutional capital contribution	30, 431, 303
Federal loans to institutions	2, 297, 419
Total	324, 972, 717
Funds advanced to students	323, 450, 365
Loans repaid (76,282 students)	10, 965, 220
Interest accrued on loans to students	1, 268, 576
Cancellation of loan principal and interest:	
For teaching service (34,809 students)	4, 032, 219
For death or disability (529 students)	305, 729
Loss	700

Data from the operations reports for 1961, 1962, and 1963 academic years

	1961	1962	1963	Cumulative,[1] 1959-63
Number of loans made:				
Male	95, 203	112, 167	126, 018	429, 295
Female	55, 865	74, 298	90, 912	268, 999
Undergraduate	137, 491	171, 541	200, 447	634, 459
Graduate	13, 577	14, 924	16, 483	63, 835
Amount loaned	$70, 962, 824	$89, 109, 307	$103, 727, 964	$323, 446, 737
Average loan	$470	$478	$478	
Number of loans to prospective teachers	69, 552	88, 269	101, 015	324, 996
Number of loans to students with superior capacity in science, mathematics, etc	34, 032	41, 531	45, 752	151, 321
Number of loans committed to high school seniors	38, 798	35, 948	39, 778	143, 657

[1] These figures represent the number of loans made over the 5-year period. They do not represent the number of student borrowers. This number totals 497,825.

Exhibit 6–A

Institutions requesting $800,000 and over, 1964–65 as of Jan. 20, 1964

	Original request
California: University of California, Berkeley	$942, 300
Illinois: University of Chicago	857, 590
Indiana: Indiana University	1, 561, 500
Kansas: University of Kansas	850, 500
Massachusetts: Harvard University	1, 350, 000
Michigan:	
University of Michigan	801, 000
Michigan State University of Agriculture & Applied Science	848, 221
Total	1, 649, 221
Minnesota: University of Minnesota	1, 102, 500
Missouri: St. Louis University	1, 120, 500
New York: State University of New York at Buffalo	889, 732
Wisconsin: University of Wisconsin, Madison	1, 067, 723
Grand total	11, 391, 566
11 institutions	−8, 800, 000
Over limitation	2, 591, 566

EXHIBIT 7

Student loan operations under State authorized loan guarantee programs

[Data are cumulative to December 1963 unless otherwise indicated]

State	Date start of loan operations	Total number of loans approved	Total number of borrowers	Amount of—		Amount of repayments	Amount of defaulted loans
				Total of approved	Average loan		
Connecticut	January 1962		501	$259,627	$518		
Maine [1]	April 1957	3,632	2,447	1,574,351	643	267,048	5,900
Massachusetts [2]	March 1957		11,547	7,400,000	641		
Michigan	October 1962	889		603,402	679		
New Hampshire [3]	August 1962		166	75,125	453		
New Jersey [4]	September 1960	4,895		3,553,918	726		
New York	June 1958	107,191	72,205	80,123,000	750		
Ohio	September 1962	4,563		3,037,375	750		
Rhode Island	August 1960	2,334	1,404	1,507,409	646	137,083	400
Virginia [5]	July 1961	4,570	2,989	2,695,369	589		

[1] As of Sept. 30, 1963.
[2] As of Mar. 31, 1963.
[3] As of Apr. 30, 1963.
As of Oct. 31, 1963.
[5] As of Jan. 31, 1964.

Source: Summarized from the reports of the respective State higher education assistance corporations and foundations.

United student aid funds

Began operations	Total number loans approved	Total borrowers	Total of endorsed loans	Average
January 1961 [1]	33,503	22,500	$18,620,488	$560

[1] Now includes 580 colleges.

Mr. KEPPEL. I would like to say the things that are typed on the first page of my statement, Mr. Chairman, because I believe them very profoundly and I would like to say them just right, if I may.

S. 2490, introduced by the senior Senator from Indiana, Mr. Hartke, and the desire of your subcommittee to give further attention today to the proposals of the administration in title I of the National Education Improvement Act are a continuing reflection of the purpose and wisdom of the Congress which, during recent months, has given historic legislative leadership to the course of our State-local-Federal and our public-private partnerships in education. From these landmark—and I think that is the right word—measures, American education can continue as the great moving force for the lasting benefit of our people and our country.

We are deeply grateful for the wise educational measures which the 88th Congress in its 1st session has authorized. We see in this second session the prospect of completing the further foundations to strengthen our whole house of education.

What I had planned to say, Senator, is something but which may perhaps not now seem quite so appropriate in view of your kindness to me. But I want to say I think I know what leadership means in view of what you have done personally, sir.

Senator MORSE. You are very kind.

Mr. KEPPEL. If I may bring the attention of the committee particularly to the exhibits which I brought before you, I think you see, in tabular form, some of the data Senator Hartke referred to.

In the charts we have sought to show, I believe, some very fundamental matters which had not, I believe, been fully understood by our people with regard to success or relative failure in bringing to higher education all the young people who should have the opportunity. I think it germane to look particularly, sir, at chart No. 3 (see p. 115) which has been presented to you before. This exhibit shows the various percentages of the young people from various economic groupings—that is, less than $6,000 a year; between $6,000 and $9,000 and above—who from the point of view of their academic success in secondary schools, actually get on to higher education.

Senator Hartke, of course, referred to this. I believe this exhibit No. 3, in visual form, would be useful.

The next exhibit, sir, exhibit No. 4 (see p. 116), gives, in a visual form, some information that I believe has only very recently been made available in the United States.

May I draw your attention, Mr. Chairman and Senator Yarborough, particularly to the bottom lines; that is, where you see students whose family incomes range from $3,000 to $12,000 and up, and whose apparent ability levels are in the 98 to 100 percentile. Those are the young people—that is young men—who apparently have very remarkable intellectual abilities. I think it would not be proper, Senator, for me to say that I am confident that these young people had the other kinds of marked abilities that we say are artistic, musical. But clearly, these are young people who have very marked linguistic, mathematical, scientific abilities. They are the very, very top, the top 2 percent. I think our country can take some pride, sir, in the fact that as you look at the lower left, in that bottom line, where family income is $3,000, $4,500, $6,000, and so forth, I think we are doing better in that very top group than we probably did before.

I can suggest Senator—if I may turn to you as a former academic man—that the academic world is recruiting these young people, this very same group, in the same way they have been accused of recruiting halfbacks.

But it is only in this very top group. As you look at exhibit No. 4, you will notice that we are losing something like 30 percent of those in the low family income group who are in the top quarter of ability level. There is the kind of serious loss which I believe Senator Clark was referring to a moment ago. We simply cannot afford to lose from higher education, as high a proportion of those who are in the top quarter of ability—the academic ability—but in the lower part of family income.

Exhibit No. 4–B (see p. 117), Mr. Chairman, shows the same figure for young ladies. Once again, I find some pleasure in noticing that there is evidently a recruiting program and some financial aid for those in the 98 to 100 percentile—that bottom line again—though less obviously and not as successful as in the case of the young male graduates. But, sir, may I draw your attention to the second line from the bottom, the 90th to the 97th percentile in academic ability. Looking at the group with family income below $3,000, you will notice that very nearly 40 percent do not go on to college. In view of the point made by Senator Clark and the points made by Senator Hartke, I do not think we can afford that, sir.

Exhibits Nos. 5 and 6 (see p. 118) simply put those charts into statistics that we hope might be of use to the committee.

They provide a different way, Mr. Chairman, of illustrating the case that Senator Hartke has just stated so brilliantly. My own testimony does not include much of the other information the Senator gave, which seems to me so valuable for the record.

Turning now, if I may sir, in a little more detail both to S. 580 and to Senator Hartke's bill, I would like to add one point, if I may, with regard to the student loan program in relation to the NDEA.

TITLE II. NATIONAL DEFENSE EDUCATION ACT CEILINGS

This would have to do with the action taken by the Congress under the NDEA loan program, in raising the institutional ceiling from its former $250,000 level to $800,000. Senator Hartke mentioned that the University of Minnesota is already penalized by that ceiling. I think it might be of value to the committee to know that 11 universities will soon be similarly restricted. Exhibit No. 6–A (see p. 119) shows that States ranging—California, Indiana, Illinois, and so forth, right through New York and Wisconsin, will be caught by that $800,000 ceiling right away. We would venture to suggest, Mr. Chairman, that the subcommittee consider the possibility of removing that $800,000 ceiling.

Senator MORSE. I think it should be removed. Interestingly enough, when I lectured the other night at the University of Minnesota, two members of the faculty talked to me about this very point. They find the ceiling restriction at the University of Minnesota a very great hardship. A great many students would be benefited if we removed the ceiling. I know of no good reason for keeping the ceiling, for as I said earlier this morning, removing the ceiling in the long run is not going to cost anything, but on the contrary, it could result in the creation of new revenue.

Senator YARBOROUGH. I would like to speak to that question, Mr. Chairman. The first year the NDEA was in operation, I was making a talk on the campus of a great university in New England. Some of those who worked in the administration of the NDEA loans stated this objection to me, that they had kept their requests within the $250,000, and they had been scaled down by the Department of Education. Others, knowing there was a limit, had run theirs way up and having been scaled down, they got back within the $250,000 limitation. They thought these artificial limitations caused certain pumpings by institutions trying to get within the limit. They were advocating as far back as 1960 that this limitation be taken off so that they have a realistic request of exactly what they need, not go up beyond it in order to be reduced to an artificial limit.

Mr. KEPPEL. We quite agree with Senator Yarborough's point, sir. We have been disturbed that by the very nature of the National Defense Education Act, the Office of Education has had to carry through procedures which did involve inequities. It was nobody's intent, but that is what happened. We were simply carrying out the law. Therefore, we feel particularly strongly on this point. As an administrative office, we found ourselves in a position we did not like to be in, sir.

EXTENSION OF TITLE II, NATIONAL DEFENSE EDUCATION ACT, TO PUBLIC TECHNICAL INSTITUTIONS

Under the provisions of Senator Hartke's bill, S. 2490, eligibility for participation in the loan program would be extended to public and nonprofit private technical institutions which offer 2-year courses of study designed to prepare the student for work as a technician or at a semiprofessional level in engineering, scientific, or other technological fields.

Further, S. 2490 would increase the amount any one graduate student could borrow, extend the program by 3 years, and make other technical changes in the statute. All of these amendments would add significant measures of flexibility to the programs operation and should be made.

Under additional student aid, just as a college or university would reject the idea that a student loan program is the only effective form of student financial assistance, so should the Congress, in our judgment regard the National Defense Education Act student loan program as a partial rather than a complete solution to the growing problems of student financial aid. To accept loan funds as the only answer would mean, generally, that those going to college from the lowest income groups would graduate from college with the greatest burden of debt.

In the opportunity I have had to testify before you before, sir, I have emphasized what I thought of as a three-legged stool of student financial aid. I think very dramatic examples of it were given by Senator Hartke, himself, describing the way his own education was financed. It was a combination of scholarship help, of work, and of loans. Those are the three legs to this stool. I firmly believe it is important that we keep them in proper balance, Mr. Chairman.

S. 580, sir, as you will recall—that is, the administration's work-study program, to go to the second leg of the stool—assumed an average undergraduate would earn $500, and assumed some 90,000 college students would benefit in the first year of operation. This does contrast somewhat to Senator Hartke's bill.

S. 580 PARALLELS

In my prepared testimony, sir, I point out that Senator Hartke's bill goes beyond that proposed by the administration in S. 580, both in work opportunities and in the Federal share. That is, in addition to work opportunities alined fairly closely with the education and research programs carried on within the institution. In Senator Hartke's bill, authority is also provided for employment of a public service character, in such fields as health, welfare, recreation, and social work in addition to education. Further, the proposal adds a second work category to the part-time activity which parallels full-time study. This added authority would permit support of the student engaged in full-time employment related to his course of study; that is, such persons as student teachers, teacher aids, recreation assistants, social workers, and so on, would conceivably fall in this category.

It seems to us, Mr. Chairman, that the most appropriate role for the Federal Government to play in the field of college work-study at this time is that outlined in title I–C of S. 580. Most college work-study programs are presently campus-oriented and it would seem advisable to build upon this experience in the initial stages of this program.

On the basis of the $2.5 million pilot program recommended under S. 580, we feel we could gain experience which, at a later date, would allow us to consider somewhat broader proposals.

I turn now, sir, if I may, to some of the data having to do with the enlarged program of loans to which Senator Hartke referred in his testimony, some of which is reflected in the testimony of my statement.

I think that it will probably not be necessary to trouble you with that, since Senator Hartke brought in more detail. There is no difference in the figures, perhaps some difference in interpretation. But I hope, sir, the record will serve the purpose on that.

SCHOLARSHIP NEED

Finally, as to the third part of the proposal in Senator Hartke's bill that is before you—namely the scholarship problem.

May I start, sir, by emphasizing again the figure which Senator Hartke gave—and I regard this as a conservative figure—there are annually more than 100,000 high school graduates of outstanding ability. By that I mean the top 25 percent.

Senator YARBOROUGH. What was that sentence?

Mr. KEPPEL. There are today in the United States more than 100,000 high school graduates of outstanding ability who fail to continue their education because of the economic hurdle.

Senator YARBOROUGH. Each year?

Mr. KEPPEL. Each year, Senator. I regard that as a conservative figure, Senator, and I think it is demonstrated in the charts that we put before you. This seems to me a fundamental fact. You will recall Senator Hartke also referred to today's testimony.

Senator YARBOROUGH. Do I correctly interpret those charts, 4 and 4–B, Mr. Keppel, that of the young ladies who finish high school—those in the top 90 and 95 percent—40 percent from families in the $4,000 bracket of those do not go to college.

For young men, that would be about 15 percent of those?

Mr. KEPPEL. Yes, sir; a little over 15 percent, as it happens, but you are right, sir.

Senator YARBOROUGH. And those in the top three-fourths in grades, some of the young men, about 22 percent, do not go to college, and young women, there, 24 percent do not go to college?

Mr. KEPPEL. That is right, sir.

Senator YARBOROUGH. I want to turn back, Mr. Keppel, to a paragraph in your testimony that in the press of time was passed over (see p. 108), but I think it is very vital. If there is time, Senator, I would like to connect this with Mr. Keppel's testimony at this point. I would like to have that third paragraph read into the record. I do think we should clarify that.

Mr. KEPPEL. I would be delighted to read that, sir. Is it the paragraph beginning, "Historically, the GI bills"?

Senator YARBOROUGH. That is right.

Mr. KEPPEL. Historically, the GI bills constituted the most comprehensive effort to help qualified students obtain a college education. It is true that this legislation was designed primarly to help veterans readjust from war to a peacetime economy. It provided little assistance for the education of women, where our loss of talent, as the Senator pointed out, was and still is acute. But for a period of time, the GI bill did give our young people a wider opportunity for education at undergraduate and graduate levels than any legislation before or since. This opportunity does not prevail today.

Senator YARBOROUGH. I think it is significant that the GI bills gave to American youth a greater opportunity for education at undergraduate and graduate levels than any legislation before or since.

Mr. KEPPEL. I believe the studies of sociologists show, do they not, that families without financial means to permit all their children to go to college will let the boys go? That is indicated in these tables of 4 and 4–B, a very high loss of college training, a very high loss of college education among the girls?

Mr. KEPPEL. Yes.

Senator YARBOROUGH. Now, does not the GI bill help by helping the young men go, help other members of the family go, in many families making it possible for the girls to go to college, too?

Mr. KEPPEL. I am sure that is so.

Senator YARBOROUGH. So the GI bill is not entirely a loss of education with the young men. It takes the drain off the family pocketbook for the GI's and gives the girls a chance to go to college.

Mr. KEPPEL. I think the record will show that during the period from 1946 to 1950, although I do not hold the figures in mind, that the proportion of the generation of young women of college age going to college rose steadily. That is the same period during which the colleges were taking on a very large number of young men—I think the record will show that—which suggests that the line of reasoning you are following is right, sir.

[In accordance with the directive of the chairman the following table was secured from the Office of Education]

Opening fall degree-credit enrollment, 1945–63

Year	Total	Total men	Total women	Percentage women of total
1945	1,073,629	473,682	599,947	55.9
1946	2,078,095	1,417,595	660,500	31.8
1947	2,338,226	1,659,249	678,977	29.0
1948	2,408,249	1,712,283	695,966	28.9
1949	2,456,841	1,728,672	728,169	29.6
1950	2,296,592	1,569,322	727,270	31.7
1951	2,116,440	1,398,735	717,705	33.9
1952	2,148,284	1,387,094	761,190	35.4
1953	2,250,701	1,432,474	818,227	36.4
1954	2,468,596	1,575,227	893,369	36.2
1955	2,678,623	1,747,429	931,194	34.8
1956	2,946,985	1,927,863	1,019,122	34.6
1957	3,068,417	2,003,424	1,064,993	34.7
1958	3,258,556	2,110,426	1,148,130	35.2
1959	3,402,297	2,173,797	1,228,500	36.1
1960	3,610,007	2,270,640	1,339,367	37.1
1961	3,891,230	2,423,987	1,467,243	37.7
1962	4,206,672	2,603,072	1,603,600	38.1
1963	4,528,516	2,789,527	1,738,989	38.4

Source: Opening (fall) enrollment in higher education, 1946–63, Office of Education, U.S. Department of Health, Education, and Welfare.

Senator YARBOROUGH. Mr. Chairman, would it be asking too much of the staff to ask them to get a report on that showing the increasing enrollment of young women in college during the time the GI bill was operating and the youths going to college under GI bill?

Senator MORSE. The chairman assigns that inquiry to the staff. Perhaps the Department can be of assistance to the staff in preparing such an exhibit for the record, which will show the rate of admission to college of women during the period of the operation of the GI bill.

Senator YARBOROUGH. I want to say, Mr. Chairman, that the GI bill educated the veterans of this whole war period. As the chairman knows, there is a cold-war GI bill on the calendar of the Senate, where it has been pending since last July. One of the most shortsighted things we have done in the last 4 or 5 years has been failure to support the GI bill, failure to put it through. We have programs which nibble at this education problem, nibble a little here, a little there. That is the biggest nibble of all. I hope to see the day when some administration will get progressive enough to do something. This is no new experiment. It is tried, tested, and proved to be one of the greatest educational accomplishments of America. I am glad to see Mr. Keppel frankly state that it did give the young people a wider opportunity for education at undergraduate and graduate levels than any legislation before or since.

In this period of cold-war danger, they are pulled out of their environment by the Government involuntarily. We have many people who have failed in their educational opportunities as shown in these tables because of their own environment which the Government did not create. But the Government creates this environment for veterans, pulls them out of their own environments. They would be doing other things except for the draft breathing down their necks. They pull them out, keep them there for over 2 years and then throw them on back on society and say, do or die, do the best you can. I think it is the grossest injustice being perpetrated in America by our Government.

OBSERVATIONS ON THE DRAFT AND EDUCATIONAL OPPORTUNITY

Senator MORSE. As the Senator from Texas knows, I am a cosponsor of the cold-war GI bill. I fought hard to get it passed and will keep on working for it. I share the views of the Senator from Texas on this, and as far as this committee and the Congress are concerned, I would like to press for action on the Yarborough bill. As the Senator from Texas further knows with respect to the draft, a point I have made over and over again concerns the conscription policies of our alleged allies. We can look around at all our alleged allies, and I underline the "alleged," to find that country after country does not have a draft. This is a partial explanation as to why the Armed Forces of the United States, in my opinion, are being called upon to supply a disproportionate number of men to the danger spots of the world. We find that even England now wants us to supply more men because she failed in her colonial policy in Cyprus. We find our boys in South Vietnam all alone. We find more American boys on the NATO line than France, Great Britain, and Canada combined.

Here we are using our manpower through a draft law which, in my opinion, ought to be completely revised—in fact, repealed. That is why I went on the record against the last extension, because as presently operating it is discriminatory and unfair.

But as long as we are going to have the draft, we had better fulfill some obligations to these young men that we are obtaining through it.

I can think of no greater benefit to them and through them to the country than to give to those who want to take the opportunity to go on to college after they leave the services, adequate financial assistance so that they can attend college. It is just that simple with me.

I shall continue to impress upon my administration the importance of fulfilling our educational responsibilities to these young men as an important facet of our American foreign policy. Once the American people come to realize fully that we are drafting young men for the benefit of France and Canada and England and a good many other countries, who are not imposing upon their young men conscription, the public is going to ask why. Why do not these countries conscript their young men? They will tell you why. Frankly, it would not be good politics in their countries.

I did not mean to make this observation, but I am going to make it, to get it in the record. I think that with the better than a hundred billion dollars we have poured into other countries of the world since 1946, when we start relating that expenditure to the cost of the draft to the youth of our country, the following conclusion can be reached. Some of the other countries, in respect to this particular problem, are, in fact, slackers. I think it is about time that we take a look, as an American people, at the obligation we owe to our draftees. I can think of no better way to express our appreciation to them than to promote our selfish interest as taxpayers—which such aid to our cold-war GI's would accomplish—and as well to promote the legitimate aspirations of these ex-servicemen by giving them a chance to go to college.

My speech is over, but I am not going to let the Senator from Texas stand alone in his valiant fight for GI education.

Senator YARBOROUGH. I thank the chairman. I agree with him we have spent the $100 billion, we have spent a lot of money. But my point is we should not let that come out of the warped hopes for the future of the young men who are out there taking the greatest risks.

Senator MORSE. Anything further, Mr. Commissioner?

Mr. KEPPEL. If I may draw your attention, Mr. Chairman, to the problems of the scholarship portion of Senator Hartke's bill:

SCHOLARSHIP PROVISIONS OF S. 2490

I reiterate what you, yourself, said earlier this morning, that a program similar to this has, of course, already been endorsed by the administration when, in 1961, your committee and the Senate approved S. 1241. Unfortunately, however, final enactment of a scholarship program awaits a clearer understanding on the part of the Congress and the public both of the need for and an effective way to utilize Federal resources in resolving the financial aid program.

For this reason, the administration, rather than again submit a scholarship proposal for the consideration of the Congress, has suggested a comprehensive, thoroughgoing national study to determine why able young persons fail to attend or fail to complete college and in what way Federal resources can be effectively utilized to assist with this problem. This, it seems to me, is a reasonable and prudent appraoch to an important public policy question that several Congresses have deliberated without resolution.

American education today has been strengthened through the bipartisan enactment of the National Defense Education Act of 1958 and the landmark legislation of 1963. The same considered and purposeful efforts this year will enable us to complete the remaining agenda for education which was introduced to the 88th Congress last year. I am sure that this subcommittee, which has already done so much for American education and for students of all ages, will not rest until these tasks are completed.

Senator MORSE. Mr. Keppel, I want to thank you very, very much. This is a statement which will be of major help to us in our deliberation on the legislation in this field. I hope this subcommittee, not too far in the distant future, will recommend legislation to the full committee in this area in one way or another.

Do you have any questions, Senator Yarborough?

Senator YARBOROUGH. No questions.

I want to thank Mr. Keppel for this presentation and express the hope previously expressed by the chairman that there is nothing to the rumor that he might consider leaving the position of Commissioner of Education. I think that the five bills passed by this Congress—if you consider the amended health bill as an educational measure—part of it is designed for training, as you know, people to teach handicapped children as well as mentally retarded children—I count the libraries as educational. I think there were five major educational bills so far in this Congress.

Mr. KEPPEL. Yes, sir.

Senator YARBOROUGH. This will be six in one Congress, the 88th Congress, including this 200,000 4-year undergraduate scholarship bills.

This is a very, very fine thing.

I am hopeful that with all this progress made by you, Commissioner, that any rumor you might be contemplating leaving us is wholly incorrect. I think all of us have great pride in the accomplishments in the field of education. I am hoping that the GI bill will extend the measure and do justice to around what will be 5 million young members of society, who will be taken out of it just as you put men on a chain gang, except they have done nothing to be sentenced for. That is an act aside from the general education. I hope that will go in, too, as an educational measure.

Mr. KEPPEL. Mr. Chairman, may I express my thanks to Senator Yarborough for his very kind remarks about my tenure of office. May I also put on the record some fine advice my father gave me, who had observed mankind and was very wise, recognizing that work that has been done in the past is often recorded in favor of the individual who is not there. My father's advice was, "Frank, remember that nothing succeeds like a successor."

Senator MORSE. Very well put.

May I supplement what Senator Yarborough has said by adding to the five bills in the field of education which this Congress has already passed, this sixth bill in the field of loans to students and scholarships in some form, plus a seventh one that I think we must strive to get passed.

FEDERAL AID TO PUBLIC ELEMENTARY AND SECONDARY SCHOOLS

I shall comment on it while you are still here, because I am going to make a drive for it. I have already told the Senate that I will make a drive for it and I have told the school people in the country that I will make a drive for it. It is a promise, to help through legislation our elementary and secondary schools. This is, after all, a basic need. I am hoping that school people themselves, public and private, will be able to work out some draft legislation within their areas of agreement to permit us to put aside, for the time being, areas of disagreement, in order that we can get something on the statute books that can provide legitimate aid to elementary and secondary schools.

Important as these other educational bills are, I happen to be of the opinion that we have a fundamental responsibility to do something about developing the intellectual potential of the children of America to the maximum extent possible before they even reach the age of college choice.

We talk about students who are being cheated of a higher education because of lack of financial means. This is true for thousands of them. But many, many thousand more are being denied a college education in the grade schools. By that I mean these young people are being denied a college education because we are sending thousands of them to grade and high schools so low in standards that such schools cannot possibly develop the intellectual potential of many of their students to the level which would make it possible for them to enter college. They cannot qualify for college. I am going to work for legislation in this area.

A recent report by the Office of Education gives our classroom shortage nationally as 124,300. When you take a look at the brick and mortar problem revealed by these figures you should remember what the shortage is costing the Nation. Its costs are low standards of grade school and high school education. I want to add therefore to the bills the Senator from Texas has listed, a seventh bill. I think we ought to grapple with aid to elementary and secondary public schools in some form. I am unwilling to admit that a Federal aid education bill cannot be a comprehensive one in this session of Congress. I want it to be as comprehensive as it can be. I repeat what my friend from Texas and the Commissioner have heard me say so many times—just give me a bill which will put on the statute books for the first time the principle of Federal aid to elementary and secondary schools.

I shall have no concern for the future, then, as to what the demand of the American taxpayer will be. Once they see the principle enacted, the people are going to demand educational assistance for their young people at these levels. They are already making it perfectly clear that they are demanding it on the higher educational level.

I want to thank you very much, Commissioner Keppel. We will probably call you back before we make our final recommendations to the full committee, either in a public hearing or in executive session prior to the recommendation of the subcommittee to the full committee.

I place in the record at this point a study which the Library of Congress has made on State legislation relating to student loans for higher education.

I ask also that there be inserted in the hearing record a letter of February 7 that I addressed to President John M. Stalnaker, National Merit Scholarship Corporation, in answer to a letter that I received from him dated January 31 together with pertinent materials from the accompanying report on the operations of the National Merit Scholarship Corporation program for 1963. It will, I think, as Senator Hartke and Commissioner Keppel have stated, be helpful to us in our executive session.

(The material referred to follows:)

State Legislation Relating to Students Loan for Higher Education

I. STATE STUDENT LOAN PROGRAMS

Arkansas

Laws of Arkansas, 1961, regular session, Act 498: Establishes an Arkansas Student Loan Board consisting of five members to be appointed by the Governor for a 5-year term, with the commissioner of education serving ex officio. Prescribes the powers, functions, and duties of the board. Creates and establishes in the State treasury a student loan fund to which all the assets, both cash and securities, of the Arkansas Industrial Development Fund are to be transferred. Appropriates $300,000 for the use of the board in making loans to qualifying students.

**Connecticut*

Laws of Connecticut, 1959, Special Act 502: Provides for the establishment of the Connecticut Higher Education Assistance Corporation to make loans to approved educational institutions or to students or their parents or guardians for the purpose of assisting students to fulfill their programs of higher education, and to receive gifts for such purposes, and to guarantee or endorse such loans.

**Illinois*

Laws of Illinois, 1961, Senate bill 64: Creates an Illinois Higher Education Assistance Corporation to guarantee loans up to $1,000 per year to State residents planning to attend college within Illinois or another State.

**Louisiana*

Louisiana Revised Statutes, 1963, chapter 20, 3021–29: Louisiana Higher Education Assistance Commission created to make available to residents of the State improved opportunities for higher education and empowered to guarantee loans made to qualified and eligible students. No loan in excess of $1,000 shall be guaranteed for any school year, nor shall the total outstanding guarantees of loans to any person exceed $5,000 at any time. Guarantee shall be for 80 percent of the unpaid principal and interest on each loan. Interest charged on any guaranteed loan shall not exceed 5½ percent per year. Person qualified for loan guaranteed by Louisiana higher education assistance shall not be disqualified by reason of his being underage and shall have full legal capacity for the purposes of this act.

**Maine*

Maine Public Laws, 1957, chapter 435: Amends Maine Revised Statutes, chapter 119, section 2, which established the New England Board of Higher Education to provide that any minor 16 years of age or over may have legal capacity and be subject to the obligations of persons of full age for purposes of loans received or guaranteed by the New England Higher Education Assistance Foundation. (At the present time the Maine loan guarantee program is operated by the Higher Education Assistance Foundation, Augusta, Maine. See enclosed pamphlet.)

**Massachusetts*

Acts and Resolves of Massachusetts, 1956, chapter 298: Incorporates the Massachusetts Higher Education Assistance Corporation to aid and assist students to fulfill a program of higher education. Legislation permits the corporation in cooperation with the Massachusetts Bankers' Association to establish a loan plan making funds available for student loans. Loans are available from commercial banks and payment is guaranteed by the corporation.

**Michigan*

Laws of Michigan, 1960, Act 77: Creates the Michigan Higher Education Assistance Authority consisting of 10 members representing specified university and college interests, to be appointed by the Governor, with the superintendent of public instruction as chairman. The authority is authorized to guarantee up to 80 percent of loans incurred for educational expenses by Michigan residents who are students at private or public institutions of higher learning in the State or elsewhere.

**New Jersey*

Laws of New Jersey, 1959, chapter 416, section 2: Establishes a higher education assistance authority in the department of education to assist students in financial need to obtain loans to enable them to attend college by guaranteeing such loans made by financial institutions, with the exception of building and loan associations.

**New York*

Laws of New York, 1957, chapter 367: Creates the New York Higher Education Assistance Corporation for the purpose of making loans to residents of the State who plan to attend college in the State or elsewhere. Such loans are limited to $1,000 for any school year and a total of $5,000 to any one student. Funds are to be secured from private contributions, allowable as deductions from State income and franchise taxes. The board of directors is to consist of the commissioner of education, the president of the State university, and nine appointed members.

Laws of New York, 1958, chapter 154: Amends above law to enable corporation to guarantee loans to individuals up to $1,000 a year or $5,000 total, as well as to make loans directly. The purpose of this act was to enable the corporation to commence its program without having acquired a large amount of capital.

Laws of New York, 1959, chapter 90: Amends the above laws by providing that the loans obtained by minors of 16 years or over from an institution of the university of the State of New York may not be disaffirmed on the grounds of infancy.

Laws of New York, 1960, chapter 296: Amends the law relating to educational loans to minors from institutions of the university of the State of New York so that it applies to extensions of bank credit for educational purposes.

Laws of New York, 1960, Chapter 407: Amends law relating to administrative matters of the corporation, and adds to the list of legal investments for savings banks, the promissory notes guaranteed by the corporation.

Laws of New York, 1961, chapter 13: Amends the law so as to extend waiver of infancy protection to accredited higher education institutions outside the State for loans and extensions of credit to New York students.

Laws of New York, 1961, chapter 392: Amends the law relating to the corporation by increasing the maximum yearly loan to $1,500 and the maximum total to $7,500; provides for payment of interest not to exceed 6 percent per annum; makes part-time students eligible for loans; makes post secondary institutions eligible as well as colleges; and enables a savings and loan association, a credit union, a retirement system or employee welfare fund to make such loans.

North Dakota

Laws of North Dakota, 1957, chapter 150: Amends and reenacts legislation approved at the general election of 1956 providing that the State board of public school education shall award $500 "scholarship loans" at 3-percent interest for 5 years to residents of the State who have graduated from North Dakota high schools and who would otherwise not be able to attend college without financial assistance. Recipients may attend State or private institutions of higher education in North Dakota. The law authorizes a maximum of $200,000 for each of 5 years from the undivided profits of the Bank of North Dakota, to be used as a revolving fund.

(The program called the North Dakota student loan program is conducted by the Department of Public Instruction, Bismarck, N. Dak. See enclosed pamphlet.)

**Ohio*

Ohio Revised Code, 1961, sections 3351.05–13: Establishes an Ohio Education Assistance Commission consisting of nine members appointed by the Governor; authorizes the commission to guarantee up to 80 percent of the unpaid balance and interest on student loans; sets a maximum interest charge of 5½ percent on guaranteed loans. Specifies powers and duties of such commission.

**Rhode Island*

Acts and resolves, Rhode Island, special session 1958 and January session 1959, house bill 1410, page 725: Creates the Rhode Island Higher Education Assistance Corp. to make loans to students, their parents or guardians, or to approved educational institutions. Provides for membership of corporations, educational institutions, and individuals; for the issue of stock to members, and for the issue of bonds and notes by the corporation, and general regulations for the conduct of business. Further, provides that minors are to have legal capacity to act in their own behalf for purposes of such loans.

**Virginia*

Virginia, acts of assembly, 1960, chapter 494: Creates a State education assistance authority to buy and sell to banks the obligations of students at State-supported institutions of higher education representing educational loans made to such students, not exceeding 80 percent of the amount of any individual obligation. The total contingent interest of the authority shall not exceed 12½ times the total funds which the authority can employ to acquire such contingent interests. Appropriates $50,000 from item 358 of the 1960 appropriation act for the second year of the biennium.

Wisconsin

Wisconsin Statutes, 1961, sections 20.670(47), 25.17(3)(bf), 49.42: Provides for loans to students who are in financial need, are residents of Wisconsin and have good academic records. Loans are made on the application of the student, endorsed by his high school principal or the authorities of the higher education institution. Terms of the loans are to be prescribed by the State department of public welfare, and may be made to minors who may not assert their minority as a defense to collection of the debt. Up to $5 million of funds controlled by the Wisconsin Investment Board may be invested in the student loan fund; a biennial appropriation of $100,000 is authorized and moneys repaid are authorized for further use in the fund.

****Wyoming***

Wyoming Laws, 1959, chapter 51: Establishes the Wyoming higher education loan plan whereby the State guarantees 80 percent of the amounts of bank loans to students up to $500 a year, or a total of $2,000. To be eligible, a student must be domiciled in Wyoming and must have satisfactorily completed one-half year of a higher education program. A guarantee fee of 1 percent is to be paid into a higher education loan fund, and the total interest is not to exceed 6 percent. Original notes, to be due approximately 6 months after graduation, may be renewed by executing an installment note with monthly payments up to 4 years. Administration of the plan and the fund are delegated to the State board of education.

Wyoming Laws, 1959, chapter 52: Makes an appropriation of $50,000 to be known as the Wyoming higher education loan fund to finance the higher education loan plan.

II. LEGISLATION ENABLING MINORS TO BORROW MONEY FOR HIGHER EDUCATION

Florida

Laws of Florida, 1959, chapter 268: Provides that minors may execute promissory notes and contracts in order to borrow money for their own higher educational purposes.

Illinois

Laws of Illinois, 1959, house bill 1261, p. 2056: Provides that any student accepted at an Illinois institution of higher education at either the undergraduate or graduate level may execute a legally binding promissory note for a loan that is necessary to continue in attendance at the institution.

Indiana

Indiana Acts, 1959, chapter 8: Provides that students who enter into contracts for loans to finance a course of study at an institution of higher education, notwithstanding that they are under 21 years of age, have full legal capacity to so contract, and are subject to the obligations of persons of full age.

Maine

Maine Public Laws, 1961, chapter 188: Amends chapter 119, section 2, relating to contracts of minors in furthering their higher education so as to provide that minors over 16 years of age may sign notes or other documents for the purpose of obtaining an education.

New Hampshire

Laws of New Hampshire, 1961, chapter 189: Amends existing law relating to loans to students to provide for the powers and obligations of minors who contract for educational loans, that they may be subject to the obligations of persons of full age with respect to such contracts.

New York

See section on State loan programs.

Oklahoma

Session laws of Oklahoma, 1959, House bill 508, page 81: Provides that any minor 16 years of age or over may receive assistance in the form of loans for the purpose of furthering his higher education in professional, technical, vocational, scientific, or literary fields which are made or guaranteed in full or in part by any Federal or State official, body, agency, or instrumentality. The minor is to have full legal capacity to contract for such loans and to be subject to the same obligations as persons of full age.

South Carolina

South Carolina resolves, 1962, R. 896: Amends existing law so as to provide that loans made by certain institutions to persons for obtaining higher education shall not be subject to certain limitations. To authorize minors to enter into contracts for such loans and to provide that such minors shall have all the rights and be subject to the obligations of persons of full age with respect to such contracts.

Tennessee

Laws of Tennessee, 1961, chapter 76: Authorizes proper official of any State or private college or university to accept note or contract of student applying for loan or aid, such note or contract to be valid and enforcible in court, and such student to be without recourse to plead minority in court.

Virginia

Virginia, acts of assembly, 1960, chapter 78: Provides for the liability of minors with respect to loans made for attending institutions of higher education.

III. OTHER STATE LEGISLATION RELATING TO STUDENT LOANS FOR HIGHER EDUCATION

Florida

Florida statutes, 1957, chapters 239.38 et seq.: Authorized the granting of 1,050 "scholarship loans" of $400 each per year for the preparation of teachers to be awarded on basis of competitive examinations. Students may either enter public or private institutions in Florida, and the principal and interest of the promissory note executed by the student is forgiven at the rate of 1 year's loan for 1 year in service as a teacher in Florida public schools.

Laws of Florida, 1959, chapter 161: Amended above law to allow teaching at junior colleges as recompense for payment of the loan, and provided that the student must begin teaching in the school term following his graduation.

Laws of Florida, 1961, chapter 367: Extended lapsed program for State "scholarship loans" for nursing education, providing 90 $300 nursing scholarships at approved diploma schools or junior colleges within the State for 3 years; 130 $500 scholarships for 4 years at approved basic collegiate schools of nursing in the State; a sum of $11,000 in scholarship funds for additional nursing education to be awarded to licensed State resident professional nurses. The amount of the scholarship is $1,000 for 1 year, renewable for a second year.

Laws of Florida, 1961, chapter 459: Amends previous laws relating to scholarship loans to remove inconsistencies, redundancies, and unnecessary repetitions. Clarifies the allocation of "scholarship loans," the method of awarding, and student eligibility.

Minnesota

Laws of Minnesota, 1959, chapter 416, section 2: Authorizes the State college board to establish a State college activity fund to receive gifts, bequests, endowments, and grants to provide for student activities, including auxiliary enterprises and student loans.

Virginia

Virginia, acts of assembly, 1958, chapter 642, section 31: This section of the Appropriation Act provides for student loans of up to $300 (except $500 to medical and dental students), and that each State educational institution may borrow up to $20,000 to provide an additional student loan fund.

West Virginia

Acts of the legislature, West Virginia, 1957, chapter 76, article 21: Creates the West Virginia Scholarship Fund for teacher trainees, providing 100 annual "scholarships" of $500 each. Selection is to be made by county committees from the upper third of the high school graduating classes and is to be based partially on need. "Scholarships" are renewable for 3 years. Students are to execute demand notes which are cancelable at the expiration of each year of service as a teacher in the public schools of the State, and are otherwise collectible. The program is to be administered by the State superintendent of free schools.

Wyoming

Session laws of Wyoming, 1957, chapter 114: Provides for 200 "scholarships" of $250 each to be granted by the State board of education to graduates of Wyoming high schools on the basis of scholastic aptitude, financial need, and character, to be used at the University of Wyoming or any accredited junior or community college in the State. Repayment without interest is to be made within 5 years of the award, but a credit of $250 is to be given for each year of teaching in a public school in the State provided that this teaching shall immediately follow the completion of the teacher training program. Authorizes an initial appropriation of $50,000.

FERRUARY 7, 1964.

President JOHN N. STALNAKER,
National Merit Scholarship Corp., Evanston, Ill.

DEAR PRESIDENT STALNAKER: I very much appreciated your thoughtfulness in providing me as an attachment to your January 31, 1964, letter with a copy of the annual report of the National Merit Scholarship Corp.

This publication will be particularly helpful to me in the near future as the Education Subcommittee considers scholarship legislation. I have taken particular note of the fact that in the 1963 program some 596,241 young men and women passed the qualifying test and that 11,128 were semifinalists, but scholarships could only be awarded to 1,735.

Attached is a copy of S. 2490 upon which the Education Subcommittee plans to hold early public hearings. It occurs to me that in view of the scholarship provisions of the bill the National Merit Scholarship Corp. might wish to make available to the subcommittee its comments and suggestions. Please let me know if you wish to have testimony presented or if you wish to file a statement.

With kindest regards,

Sincerely,

WAYNE MORSE,
Chairman, Education Subcommittee.

NATIONAL MERIT SCHOLARSHIP CORP.,
Evanston, Ill., January 31, 1964.

Hon. WAYNE MORSE,
Senate Office Building
Washington, D.C.

DEAR SENATOR MORSE: Enclosed is a copy of the National Merit Scholarship Corp. Annual Report for 1963—"The quest for intellectual excellence."

The 1962–63 merit program was the most successful in the program's 8-year history. Almost 600,000 students in more than 16,000 high schools participated. The number of merit scholarships awarded was 1,528, a 47-percent increase over 1962. The number of scholarship sponsors—business corporations, foundations, unions, and other sources—increased from 151 to 179.

Among the new sponsors were nine colleges and universities. Many more are expected to participate in 1964. In their role as sponsors, they finance merit scholarships for exceptionally able students throughout the country who are interested in attending their respective institutions.

Nearly 7,500 merit scholars have been appointed to date, and $17 million has been expended for their education by NMSC and sponsors. An additional $11.6 million has been committed for the 4,118 merit scholars now enrolled in 425 colleges and universities.

Table 1 on page 34 provides comparative figures, by State, on the number of students and schools participating in 1963, and the number of merit scholarships awarded.

Sincerely yours,

JOHN M. STALNAKER, *President.*

NATIONAL MERIT SCHOLARSHIP CORP. ANNUAL REPORT 1963

THE QUEST FOR INTELLECTUAL EXCELLENCE

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Helen S. Morford, treasurer

President's review

"Because of our inescapable dependence on modern science and technology we must regard trained brainpower as a precious natural resource. The extent to which we discover exceptional intellectual talent, encourage and develop it, and provide conditions for its effective flowering will be a measure of our success in meeting the truly challenging problems which technology and population growth are posing for us in the remainder of this troubled twentieth century * * *

"It is fitting, therefore, that considerable attention be paid to the early identification of intellectual talent * * *. I think it is quite proper that we pause on regular occasions to acknowledge the intellectual, esthetic, and idealistic aspirations of our young people and encourage them by recognizing their academic excellence. Not unnaturally, a young person is influenced to seek goals which are recognized and respected. If praise is reserved only for athletic prowess or monetary success, who can blame him if he seeks these even if it means sacrificing a great potential in some other field."

These observations, made by Dr. Glenn T. Seaborg, chairman of the U.S. Atomic Energy Commission, have great relevance to the national merit scholarship program. For it is the basic purpose of the merit program to make a contribution—directly and indirectly, and through the cooperation and aid of schools, colleges, scholarship sponsors, and communications media—to the attainment of the goals he described: To discover, encourage, and assist the development of the intellectually able, wherever they can be found and whatever their sphere of intellectual interest.

The good society needs and honors both the scientist and the philosopher, both the engineer and the artist, both the industrialist and the teacher. And particularly in these critical times, characterized equally by threats of physical and social catastrophe and by promises of unparalleled human progress, the good society requires more than ever the services of the best brains that can be applied to the multitude of tasks that are at hand and on the horizon.

Scholarship programs do not assess an individual until many forces have affected him. They select, with the means at hand, from young persons who have already been shaped by years of education—or miseducation. These programs cannot correct social injustices, which can have indelible effects. They cannot make up for inadequate or bad education that thwarts intellectual ambition and restricts intellectual achievement.

What scholarship programs can do is to find young persons who, whatever their background, have arrived at this point in their lives equipped with the educational resources requisite for success in programs of higher intellectual development What is deeply regrettable, and what demands corrective measures, are the social circumstances that submerge young persons of talent before they are aware of their own abilities and how to develop them. But what is remarkable is the number of young people who rise above their deprived backgrounds and emerge, for example, among the finalists in the annual merit scholarship competition.

The quest for intellectual excellence is, first and fundamentally, a personal one. There is no substitute for individual effort. But the quest is also one that should command the allegiance and support of our society generally, for the Nation has a crucial stake in the outcome of each person's attempt to achieve as much as his capability permits.

Because we live in an era when brainpower is speedily becoming the key to all power, our corporate intellectual achievement is the essential measure of our corporate ability to achieve in any major enterprise. This is true regardless of whether the enterprise is local or national, commercial or cultural, political or educational. There is, therefore, a true social gain or loss whenever one individual is either helped or hindered in his quest for intellectual excellence.

We know all too well how young persons can be hindered in this quest. They can be hindered by their family and inadequate social background, cultural as well as economic. They can be hindered by racial, religious, or other forms of intolerance. They can be hindered because their communities do not give sufficient support to schools and other educational and cultural programs. It is the youngster who is the immediate loser. It is our Nation that loses eventually.

We know also how other youngsters can be helped in their quest. They can be helped by parents (whatever the family's social and economic situation) who encourage their intellectual interests and ambitions. They can be helped by those who are looking for ability, without regard to race, religion, or other irrelevant characteristics. They can be helped by communities that pay the price for good schools and good teachers. When these influences are at work, the youngster is the first to profit. The Nation profits eventually.

Schools, colleges, and undertakings such as the merit program deal with students who have been marked, for better or worse, by their inherited ability and by their environment. We deal with some youngsters to whom a quest for intellectual excellence is totally without meaning, with others whose quest has been cut short, and with still others whose quest has been guided and helped at every important turn, and with some who have succeeded in spite of great adversity.

The merit program, in particular, was designed to discover students whose level of attainment, for whatever combination of reasons, indicates the likelihood of high intellectual achievement in college and afterward. The qualifying test in the annual competition is a test of educational development in fields basic to all further academic study. The test used in the merit program, in other words, is a measure of the end product of many factors that enter into an individual's academic development.

There has recently been criticism of such tests on a variety of grounds. One person will argue that objective tests are culturally biased and therefore unfair. That every test has a culture-based content is true but irrelevant to this particular point, for tests are designed to locate those who have been influenced by "culture" in a positive direction. The country should do much more than it has to help the culturally deprived. As has been emphasized here, such help is a vital necessity. But we make no advance in this direction by displacing onto tests a weakness in society of which tests may give evidence but for which they are hardly responsible.

Another critic will argue that objective tests of academic ability do not measure creativity or that they overlook or even penalize the "deep" student. This again is somewhat akin to escapism, for such critics invariably fail to supply a solution to the problem of how to measure creativity, or even a suggestion of how to go about it—except to abandon objective tests of academic attainment, hardly an answer to the problem that is posed.

These two examples are cited only to indicate that, in essence, much of the criticism of objective tests pits such tests against a theoretical, all purpose, nonexistent assessment technique, or expect such tests to rectify the negative influences in our imperfect society. Certainly most objective tests can be improved. The national merit scholarship qualifying tests is under constant study by the testing agency and NMSC. Revised forms are prepared each year, and each year the test is improved.

But this is not the real problem, for literally hundreds of independent studies have shown that tests of this type are useful in predicting subsequent academic performance, which is one of the principal purposes they are intended to serve. No one should be content with these tests as they are; neither should they be sidetracked from the main problems by restricting attention to this one direction. In fact, what may be required is not fewer measures of human accomplishment and potential, which is what some commentators appear to favor, but additional measures. We need measures of a greater variety of abilities for the simple reason that talent is not a unitary trait. Talent is varied and many faceted. Do we possess measures of all the significant characteristics that we should in order to discover and develop the many varieties of talent that exist?

Advances in the art and science of human measurement will not be made by polemics. They will be made through the hard, lengthy, and usually undramatic process that makes such advances possible in any branch of knowledge—the painstaking route of extensive, objective research. Then, beyond that, lies the sometimes equally difficult process of gaining acceptance and application of the research results, especially if they are contrary to established interests or opinions.

In the merit program, such research has been underway from the beginning. Many of the results have been applied already in the merit program, especially in the experimental programs of special national merit scholarships for students with exceptional creative promise (as determined by research-based measure in addition to objective tests) or other special characteristics or accomplishments. Further, the results have been followed with particular interest by colleges, and usefully applied by some of them in their programs.

It is hoped that the experimental programs of special national merit scholarships, the continuing flow of important research findings about talented young people and the influences exerted on them by parents, friends, and educational institutions, and similar projects will have even wider applications outside the merit program in the years ahead. For it is on this perhaps long and surely arduous path of research, experimentation, and eventual widespread application that true advances can be made.

In their unremitting search for the best sudents they can find, colleges employ every useful instrument they know. Their search has recently resulted in a major new development in the merit program—the establishment of college-sponsored merit scholarships.

As is reported in detail elsewhere in this report, nine colleges and universities sponsored merit scholarships in 1963 and many more will sponsor awards in 1964. Their reasons for doing so are obvious ones: the quality of an institution is determined in large part by the quality of the students it enrolls, for students of high ability make important contributions to the total environment of an institution, not to the classroom alone, and help attract and stimulate other students with similar characteristics.

This development does contain, however, one possible source of misunderstanding. This is traceable to the perhaps natural but unfortunate tendency of the public and special-interest groups to seek some simple yardstick by which to measure schools and colleges. The desire to rate a whole institution in somewhat the same fashion a football team is rated—by the number of points on the scoreboard—is always present. Statistics in the merit program have sometimes been used in this way. Parents want to know, for example, what are the "best" colleges. The very question implies that colleges or complex universities can be rated on some single scale, independent of a particular college's suitability for a particular student. There are many dangers in using the preferences of merit scholars or finalists in the program as a device for rating colleges, and the new merit scholarship programs of colleges are an additional reason why colleges should not be compared on such a basis.

The principal consideration is the extent to which the merit program can be useful to colleges as an identification system which enables them to locate outstanding students throughout the country who are interested in attending their respective institutions. The pool of able young persons from which all sponsors make their selections, the finalists in the merit program, come from every economic and social group, from both rural and urban areas, and from every kind and size of school. Too, their interests and ambitions are as varied as their backgrounds. The common thread in this great diversity is the intellectual excellence of each student.

The merit program invites support for such students from any source that shares the program's goals. Thus, although the merit program does not seek out colleges as sponsors, it welcomes them in this role. The program may serve to some extent as a meeting place where students who have demonstrated ability and determination in their quest for intellectual excellence can be introduced, as it were, to some colleges who, in their turn, are in quest of intellectually excellent students. We are therefore pleased if in performing our function of helping able students, we can also be useful to colleges interested in such students.

In September of this year, Dr. John L. Holland resigned his position as director of research to accept an appointment as vice president for research of the American college testing program. Dr. Holland joined the NMSC staff in 1956 and initiated the formal research activities, which he then guided to a high level of productivity. Fortunately, he leaves two experienced researchers in Dr. Alexander W. Astin and Dr. Robert C. Nichols, who will continue the studies now underway and be responsible for new projects.

Also in 1963, major changes took place in the membership of the board of directors. Mr. Laird Bell resigned as chairman and was succeeded by Mr. Hermon Dunlap Smith. Mr. Bell, who remains a director and a member of the executive committee, was the first person approached by the Ford Foundation to start the merit program on its corporate way. His leaving the helm is an especially significant event for a president who enjoyed a close association with him and who benefited greatly from his wisdom, his experience, and his gentle but effective guidance.

Mr. Smith comes into the chairmanship with a long and thorough acquaintance with every phase of the corporation's activity. He joined the board in October 1956 and was at once made a member of its executive committee. The board was unanimous in its request that he become the new chairman, and appreciative of his willingness to undertake the task.

The board, after careful study, proposed that a general practice be inaugurated of limiting board membership to two consecutive 3-year terms of service. As a result of this policy, Messrs. John Sloan Dickey, Dexter M. Keezer, Isidore Newman II, and Hollis Price, who were among the original directors, retired from the board. Other directors who retired are Paul L. Davies, James R. Killian, Jr., and James C. Worthy. The contributions of the retiring directors during the program's important formative years were substantial. Although the board adopted the policy of rotation because it is believed to be a sound one, the board, along with the president, is keenly aware, too, that it inevitably results in the loss of able, experienced, and devoted members.

The merit program has profited also from the review and suggestions it has received from the members of the advisory council and the research advisory board. These educators and scientists have provided invaluable aid in shaping the development of all aspects of the program in ways that give the greatest promise of maximum accomplishment, and the staff is grateful for this assistance.

Through the help and cooperation of thousands of individuals in schools, colleges, and business corporations and other sources of assistance for students, the merit program has made significant progress toward the attainment of its objectives. In undertakings of this kind, however, it is also true that there can be no stopping place; for each new height that is attained is not an end in itself but rather a point from which new advances can be made.

In this enterprise we can have no better guiding thoughts than those expressed by the late President John F. Kennedy in his final message to Congress on the subject of education, in January 1963:

"* * * education is of paramount concern to the national interest as well as to each individual. Today we are in need of a new standard of excellence in education, matched by the fullest possible access to educational opportunities, enabling each citizen to develop his talents to the maximum possible extent."

REPORT OF THE CORPORATION

SUMMARY OF THE 1962–63 MERIT PROGRAM

The number of merit scholarships awarded in the eighth (1962–63) program was 1,528. This was the largest number ever awarded, and a 47-percent increase over 1961–62, when 1,041 merit scholars were appointed.

The chief reason for this growth was an increase in the number of sponsors awarding merit scholarships, from 151 in 1962 to 179 in 1963. Among the new sponsors were nine colleges and universities. This was the first year that colleges themselves sponsored merit scholarships.

Of the 1,528 merit scholars appointed in 1963, 951 were recipients of sponsored merit scholarships, and 577 received national merit scholarships financed by NMSC. The amount of the average award was $796 annually, or $3,184 for the 4 years of college, exclusive of the college grant.

There are 4,118 merit scholars enrolled in 425 colleges and universities during the 1963–64 academic year. The number of merit scholars who have been graduated is now 2,705.

The total expenditure (as of June 30, 1963) for all merit scholarships awarded—that is, the amount expended by NMSC and sponsors in awards to students and grants to their colleges—is slightly more than $17 million. The estimated commitment for merit scholars now in college, including those appointed in the eighth program, is an additional $11.6 million.

Colleges Sponsor Merit Scholarships

Nine colleges and universities participated in the 1963 merit program as sponsors of merit scholarships. This is the first year in the history of the program that colleges themselves have sponsored awards. Because these scholarships are financed by the colleges, some college sponsors are using their new merit scholarship programs as a means of raising additional funds to underwrite the awards.

Currently, 25 colleges and universities (listed at the end of this section) have arranged with NMSC to offer 223 merit scholarships in April 1964, and others have indicated they wish to complete arrangements in order to make such awards next spring.

Why colleges sponsor merit scholarships

The first institution to announce its own merit scholarship program was Bennington College. The reasons given at the time by President William Fels bear repeating, for they also represent the purposes of other colleges and universities that have established similar programs since then.

"The national merit scholarship program affords a unique way to increase the effectiveness of our own scholarship program," President Fels stated.

"The merit program makes available to us a nationwide mechanism for locating the talented, which is our constant aim, while permitting us to retain the right of selection from among those who meet the high standards required for a merit scholarship.

"Because the competition extends to more than 16,000 high schools, we will be able to find superior students throughout the country. The finalists in the competition are alike in their high intellectual ability, but they are very diverse in their personalities and interests. This means we will discover able students, wherever they may be, who can gain from a Bennington education and be an asset to Bennington.

"Finally, because Bennington will select the scholarship recipients from among qualified students in the finalist group, we will retain control of our admissions process, which of course we must."

College sponsors participate in the program within the same framework as that established for all sponsors. Because of this, NMSC urges every college interested in sponsoring awards to analyze the merit program, and the college's relationship to it, from the sponsorship point of view. Every group of persons—high school students, school administrators, college officials, merit scholars, sponsors—has a somewhat different perspective on the merit program. Colleges considering sponsorhsip should look at the program from a standpoint other than the one to which they are accustomed, since one or more of the specifications established for sponsorship may deviate from current practices of the college.

Provisions of the awards

The primary consideration, for both a college and NMSC, is that there be evidence that the college has attracted and enrolled students who were finalists in the merit program in previous years. This is established by a search of NMSC'S records. The maximum number of merit scholarships a college can sponsor is then related to the number of finalists who can be expected to select that college as their choice; a smaller number of merit scholarships, of course, can be offered. The number of merit scholarships a college offers, in other words, should be no larger than the probable number of finalists signifying their wish to attend that college.

Each college selects the recipients of its awards from among finalists who have indicated that college as their choice. Like other sponsors, colleges are provided with information regarding these finalists, including grade records, extracurricular accomplishments, and the like. The college selections take place however, after the recipients of other sponsored merit scholarships and NMSC-financed national merit scholarships have been selected. Thus the college-sponsored awards do not duplicate or replace any existing merit scholarships but, rather, add to the total number of finalists receiving awards.

Because the merit program is national, a single set of standards and procedures is maintained with respect to such matters as the computation of merit scholars' stipends. All sponsors, including colleges, adhere to NMSC procedures for determining the amount of a winner's award.

A merit scholar's stipend can range from $100 to $1,500 annually. The method of computing each individual's financial need is similar to that established by the college scholarship service of the college entrance examination board, with certain modifications which reflect the experience of the merit program. Also a merit scholar's stipend is subject to review if there is a significant change in the financial situation of the student's family. A possible point of difference between the stipend practices of NMSC and the practices of a college is that a merit scholarship carries an award of at least $100 annually even in a case where no financial need is computed to exist.

Merit scholars are permitted to accept other awards up to a total of $500 over the 4 years of college. An exception to this limit is allowed only when a merit scholar who is receiving the maximum stipend of $1,500 a year has a demonstrable need beyond this amount.

Since the maximum stipend is $1,500 annually, each sponsor in effect commits himself to a possible expenditure of $6,000 per scholarship. The average cost, of course, is smaller than this, and currently amounts to about $1,000 a year. Although most merit scholarships are accompanied by a supplementary annual grant to the student's college, this provision obviously does not apply to college-sponsored awards, since college sponsors would be making payments to themselves. For this reason, and because the administrative costs of the merit program have been underwritten by foundation grants, a college's funds are expended entirely on the awards to students.

Administration of the awards

NMSC bills each sponsor prior to the beginning of the academic year for the total amount it anticipates expending in that year for the stipends of the sponsor's merit scholars. This provision is necessary because of the nature of the agreement between NMSC and the student. The stipend is then paid in two installments. Checks are sent to the colleges, which then transmit the funds to the students. In most cases individual checks are made out for each merit scholar at a college, but in others a single check is prepared and made payable to the college for deposit to the accounts of the students named.

College-sponsored merit scholarships naturally are not transferable from one institution to another. In this respect they are unlike almost all other merit scholarships but are, of course, like any other college-financed scholarship. At the time a student is offered a college-sponsored merit scholarship, he is informed that the award will be canceled if he transfers to another institution. College-sponsored awards do not, however, carry a limitation on course of study. Experience shows that the possibility of a change in major is too high to be compatible with the objective of retaining merit scholars in the college for the full 4 years.

Merit scholarships are 4-year renewable awards; that is although the award is for 4 years, annual renewal is dependent on satisfactory performance. The academic basis for renewal is that the student make normal progress toward a bachelor's degree and maintain good standing in college. (In the event of required military service or serious illness, the merit scholarship is held for the student.) An academic record or conduct that prevents normal progress or results in suspension or dismissal usually terminates a scholarship.

"Normal progress" rather than a particular grade average is the requirement for continuation, because of differences among colleges in grading standards and levels of performance required of students holding scholarships. To apply these various requirements to merit scholars, who are enrolled in more than 400 colleges throughout the country, would mean that the standards for merit scholarship renewal would vary. Further, it might encourage merit scholars to choose their courses with a view toward the grades to be attained, and NMSC does not intend to exert any influence on a merit scholar's choice of courses. Colleges with a substantially different viewpoint, therefore, will not wish to be sponsors of merit scholarships.

Summary

In summary, the merit program can be utilized by a college as a nationwide mechanism for identifying highly able students who have indicated to NMSC that they wish to attend that college. The results are that more finalists receive scholarships to the college of their choice than would be the case otherwise, and colleges retain control of their admissions process. College sponsors are limited to institutions subscribing to the general procedures that govern all other merit scholarship awards.

Listed in the adjoining column are the colleges and universities which thus far have arranged to sponsor merit scholarships in 1964, and the number of awards they will offer. An asterisk indicates institutions which awarded merit scholarships in 1963.

COLLEGES CURRENTLY SPONSORING MERIT SCHOLARSHIPS

Albion College, 5
Baylor University, 2
*Bennington College, 5
*Bowdoin College, 8
Carroll College, 1
Chatham College, 5
*Claremont Men's College, 2
Connecticut College, 2
University of Delaware, 2
*Harvey Mudd College, 2
Hiram College, 4
University of Houston, 1
Juniata College, 2
*Michigan State University, 157
Monmouth College, 1
Mundelein College, 2
*Occidental College, 2
Pitzer College, 2
University of Redlands, 3
*Ripon College, 4
*Rosary College, 2
St. Xavier College, 1
Seattle University, 2
Southwestern College, 1
*Texas Christian University, 5

*Institutions awarding merit scholarships in 1963.

How Merit Scholars Are Selected, and Stipends Are Determined

The major stages and principal considerations involved in the merit scholarship selection process have not been altered since the merit program was first established. Nor has there been any change in the distinctive feature of the financial award itself: the amount of money a merit scholar receives is based on financial need. In this way all winners are recognized for their accomplishment. That is, no student is denied the recognition of being named a merit scholar "because he doesn't need the money." On the other hand, since the amount of each winner's stipend is determined by his need, available resources are used in an equitable way.

These considerations reflect the primary purpose of the merit program: the identification and recognition of intellectually able students, wherever they may be and whatever their background.

Although the merit program's guiding principles have not been changed during 8 years of operation, certain adaptations have been made in the procedures through which they are applied. Such adaptations have been made in response to the suggestions of educators, as a result of the growth of the program, and as a consequence of experience and research.

This is an appropriate time, therefore, for a comprehensive review of the selection process as it occurs today—the steps in the annual competition and the procedures followed at each stage—and the related matter of stipend computation. And because the selection process makes possible various services to assist high performing students obtain financial aid, if they need it, from sources other than the merit program, these services also will be summarized here.

The following review, then, answers these questions:

1. What are the procedures used in determining, first, the semifinalists and, second, the finalists in the competition? Similarly, how are the commended students selected?

2. How are the winners of merit scholarships selected from the finalist group? Specifically, how are the national merit scholarship recipients (whose awards are financed by NMSC) selected? And how are the winners of sponsored merit scholarships (whose awards are financed by business coprorations, colleges, and the like) selected?

3. What is the method used in computing the amount of a winner's award?

4. What does NMSC do to help outstanding participants obtain assistance from other sources of financial aid?

The qualifying test

In March of each year the national merit scholarship qualifying test is administered to students throughout the country, most of them in the second semester of their junior year. The examination takes place in the schools, and is therefore made possible through their cooperation.

Each school determines its own policy regarding student participation. Some schools test only a few students, the ones they believe are unusually promising. Most schools encourage all eligible students to participate. Others, for a variety of reasons, arrange to test an entire class: because they wish to have available the resulting nationally normed test scores for each student; because of the general value to each participant of learning more about his strengths and weaknesses in the areas measured by the examination; and because of the advantages that accrue to a high-performing participant through the merit program's reports and services, regardless of whether he wins a merit scholarship.

(On pp. 21–24 is a report on a recent survey of schools participating in the merit program. The survey dealt with school policies on student participation in the test, the uses made of test results, and the opinions of officials concerning the general effects and usefulness of the program as a whole.)

The NMSQT is a test of educational development in five areas: English usage, social studies reading, natural sciences reading, mathematics usage, and word usage. A new form of the test is designed each year for the merit program by Science Research Associates. A testing fee of $1 is paid by the student to the testing agency. When it is necessary for a school to make special testing arrangements, an additional assessment up to $1 per student may be required and retained by the school. The merit program does not receive any income from the testing operations.

The fee covers the costs of testing, reporting scores to students and schools, and providing schools and students with interpretive materials used in counseling and guidance. These reports and materials are sent to the schools in May, so that they may be used as one aid in planning a student's senior year and in making other educational or vocational plans. Research indicates that about 38 percent of the participating students take the test primarily for guidance-related purposes. (See p. 21 for a report on a survey of students who took the NMSQT in 1962.)

In the eighth program, which began in March 1962 and was completed in April 1963, 596,241 students in 16,024 high schools took the qualifying test. These schools enroll an estimated 90 percent of the Nation's total senior high school population.

Semifinalists

Semifinalists are selected on the basis of their performance on the qualifying test. Their names are announced in September, at the time most participants are beginning the first semester of their senior year. The Semifinalist group is composed of the highest-scoring students in each of the 50 States and in certain other selection units.[1] The number of semifinalists in each State is proportional to the number of high school graduates in the State, and constitute less than 1 percent of the senior class in that State.

It is deemed most equitable to have students compete with others in their own State for two reasons. First, educational systems vary from State to State and are controlled by the separate States; second, the procedure permits final choices from a representative group of able students from all sections of the country. It may be noted, too, that this representation system is similar to that used to select

[1] Additional semifinalists are selected from—

1. Washington, D.C.: A national qualifying score is applied to students in the District.

2. Guam, the Canal Zone, the Virgin Islands, APO schools, and oversea schools enrolling U.S. citizens. A national qualifying score is applied to students from schools in these localities and categories.

3. Puerto Rico. The 12 highest-scoring students in Puerto Rico are named semifinalists.

4. Boarding schools. Schools classified in this category having a student body from a wide geographical area are treated as a separate selection unit. The selection of students in this unit does not affect the number of semifinalists selected in State units where boarding schools are located.

candidates for U.S. service academies, Rhodes scholars, and winners in various State scholarship programs.

In the most recently completed program, 11,128 semifinalists were selected. About 5,000 were selected in the first year of the merit program, and larger numbers will be selected in future years. The principal reason for adjusting the figure is the desire of NMSC to select a relatively stable proportion of semifinalists every year. As the number of high school graduates varies, therefore, so also does the total number of semifinalists, both nationally and within each State.

Another high-scoring group is selected on the basis of NMSQT performance and given recognition. A national, rather than a statewide, selection score is used to identify these students, who then become recipients of letters of commendation. Commended students are no longer in the competition for Merit Scholarships, but because their high performance nevertheless indicates unusual academic promise, they, like the Semifinalists, become eligible for certain NMSC services to increase their opportunities for obtaining financial assistance through colleges and other channels.

There were 32,650 commended students named in the 1962–63 program. In total, the semifinalists and commended students constituted less than 2 percent of all high school students graduated in 1963 and less than 7 percent of eligible students who took the national merit scholarship qualifying test.

Finalists

To be eligible for a Merit Scholarship, a semifinalist must attain finalist status, the second stage in the competition. To become a finalist, the requirements are that a semifinalist—

1. Be endorsed by his school and have the school submit to NMSC a copy of his school record.
2. Substantiate his NMSQT scores by an equivalent performance on a second examination.
3. Complete a semifinalist information form providing NMSC with information on his special accomplishments outside the classroom, academic or other honors, creative achievements, leadership ability, and the like.
4. Provide NMSC with confidential family financial information, to be used only for the purpose of computing his stipend if he is selected as a merit scholar.

Each year about 97 percent of the semifinalists become finalists. Almost all of those who do not become finalists fail to do so for a reason other than their second test performance, usually through failure to fulfill one of the routine requirements or because they change their educational plans.

Although NMSC considers every finalist worthy of receiving a merit scholarship, further selection is necessary because funds are limited. It is from this pool of highly able, geographically representative, and highly diversifiea finalists that all merit scholars, without exception, are selected.

Merit scholarships are financed in two ways: first, out of funds provided to NMSC by the Ford Foundation; second, out of funds provided by business corporations, unions, trusts, and other sponsors. Awards financed by NMSC are known as national merit scholarships. Merit scholarships provided by a sponsor usually are named for the sponsoring organization—for example, B. F. Goodrich merit scholarships.

National merit scholars

The number of national merit scholars in each State is set by allocation, as is the case with semifinalists, and is proportional to the number of finalists in each State. The same procedure applies to other selection units such as the District of Columbia, oversea schools, and so forth. This is done—again, as in the semifinalist selection—so that the national merit scholars will be representative of the entire country.

National merit scholars are selected by the National Merit Scholarship Selection Committee, composed of college admissions officials and school counselors. A part of the committee is changed each year. The committee is provided with all the information available on each finalist (test scores, school record, extracurricular achievements, etc) except family financial data.

Every finalist in a State or selection unit is evaluated for possible selection as a national merit scholar. The committee is provided with no special instructions or guidelines; selection is left to the professional judgment of these experienced persons

In addition to the national merit scholars selected by State allocation, another group is selected in NMSC's new experimental programs. These national merit scholarships go to finalists with exceptional creative promise or other special characteristics or achievements. Scholarships in the experimental programs, established in 1961, are in addition to the regular national merit scholarships, and are awarded without regard to geographical representation, Because of the nature of the experimental programs, winners of these scholarships are not separately identified as other than national merit scholars.

These scholarships are awarded to—

1. Finalists whose records indicate exceptional creative promise, whether in artistic, scientific, literary, or other fields. Winners are selected on the basis of information supplied by the finalists and their schools on the semifinalist information form.

2. Finalists of marked academic ability who have demonstrated an exceptionally determined effort to overcome severe financial, family, or personal handicaps.

3. Finalists who have shown an ability to depart from the traditional academic pattern by entering college, with the approval of the secondary schools they attended, without completing the requirements for a high school diploma, and who have achieved a superior record in their first college term.

NMSC invites the participation of high school principals in making nominations for these awards. High schools are asked to nominate those finalists they believe to be worthy of special consideration for awards in the first and second categories. Students eligible for awards in the third category are identified through NMSC's regular procedures. Additional finalists are nominated by the selection committee on the basis of information supplied on the semifinalist information forms.

The number of national merit scholarships awarded in 1963 was 577. Of this total, 448 were awarded through State allocation and 129 were awarded in the experimental programs.

Because NMSC's resources are relatively stable, so too is the number of national merit scholarships awarded annually. The growth in the merit program—from a total of 555 merit scholarships awarded by NMSC and 24 sponsors in 1956 to 1,528 awards in 1963—has been made possible largely by the increase in sponsored merit scholarship programs.

Sponsored merit scholars

In 1963, 179 sponsors awarded 951 merit scholarships. The sponsor group is made up of business corporations, corporate and other foundations, unions, professional associations, colleges, trusts, and individuals. The selection of all sponsored merit scholars, like the selection of national merit scholars, is made from among finalists.

In some cases the National Merit Scholarship Selection Committee makes the selections of sponsored merit scholars at the sponsor's request. Other sponsors form their own committees and make selections from among finalists who meet additional criteria established by the sponsor.

Additional criteria can include relation to an employee or member of the sponsoring organization; plans to attend a particular college; outstanding promise in certain fields of study; or regional, State, or local residence.

In 1963 nine colleges sponsored merit scholarships for finalists interested in attending their institutions. These awards are financed by the college. A detailed report on this development is presented on pages 6–9.

Certain sponsored programs provide for awarding some scholarships without any special criteria and some on a preferential basis. Still other sponsored programs involve awarding some of the scholarships to finalists who meet one kind of sponsor preference; such as place of residence, and granting other awards to finalists who meet another preference; such as field of study.

Because a sponsor may award the merit scholarships he finances to any students in the finalist group, it sometimes happens that a sponsor selects a finalist who otherwise would be offered a national merit scholarship. In such a case, another student is selected from a list of names prepared by the National Merit Scholarship Selection Committee.

The following are 10 examples of the various kinds of sponsored merit scholarship programs, and the number of awards each will offer in 1964, other than those financed by colleges:

Fifty Thomas J. Watson memorial merit scholarships.—Sponsored by the International Business Machines Corp. Twenty-five are awarded to students throughout the country, without special criteria of any kind, and 25 are reserved for employees' children.

Five U.S. career merit scholarships.—Sponsored by the Edgar Stern Family Fund. These scholarships go to finalists who have indicated they intend to enter Government service.

Twenty-five Shell merit scholarships.—Sponsored by Shell Cos. Foundation, Inc. These awards are made to students intending to pursue high school teaching careers in mathematics, chemistry, physics, biology, or general science. The Shell Foundation also supports a fifth year of college training at Cornell and Stanford Universities for Shell merit scholars who need and desire it in furthering their plans for high school teaching in these fields.

Thirty-four Reader's Digest merit scholarships.—The scholarships are for students who plan to attend Macalester College.

Twenty-seven Pittsburgh Plate Glass Foundation merit scholarships.—Three are for boys and girls in liberal arts; 4 for boys in chemistry or chemical engineering; 5 for boys in other branches of engineering or the physical sciences including ceramics and glass technology; 1 for a boy or girl evidencing extraordinary motivation; and 14 for boys and girls in communities where the Pittsburgh Plate Glass Co. has operations.

Six AFL–CIO merit scholarships.—Three are limited to children of members of AFL–CIO unions; three are awarded with no such restrictions. One scholarship in each category is awarded in each of three geographic sections of the United States.

Fifteen Radio Corp. of America merit scholarships.—These scholarships are awarded exclusively to children of employees (including retired or deceased employees) of RCA and its subsidiaries.

Four Owens-Corning Fiberglas merit scholarships.—The awards are made to sons and daughters of company employees. If none qualify, the scholarships are awarded to students residing in communities where the company has a plant or office.

Three Association of Iron and Steel Engineers merit scholarships.—These awards are for boys who intend to study in various engineering fields, with preference given to children of AISE members.

Ten Arkansas Opportunity Fund merit scholarships.—The scholarships are awarded to students residing in Arkansas and attending Arkansas secondary schools. Preference is given to those planning to attend accredited Arkansas colleges and universities.

Special sponsored scholarships

The number of merit scholarships offered by a sponsor does not always correspond, in any one year, to the number of scholarships actually awarded by that sponsor. This can occur when the number of finalists who meet the particular criteria of a sponsor's program does not match the number of merit schloarships offered. In such an instance, because sponsors often wish to award a regular number of scholarships annually, the sponsor can make awards to students ranking high in the competition but below the finalist level.

When this occurs, the awards are not called merit scholarships. The recipients are not announced with the merit scholars or listed by NMSC among the merit scholars. The awards are generally administered, however, exactly like merit scholarships. Other similar special awards are made through the merit program by sponsors who make selections, or have NMSC make selections for them, from students ranking below finalist level. In 1963, 33 sponsors awarded 118 of these special scholarships. (See table 10.)

Honorary merit scholars

Each year there are some outstanding students who are offered merit scholarships but who accept other scholarships offers that preclude their accepting financial assistance from NMSC or a sponsor, or who plan to enter one of the service academies or enroll in a curriculum not covered by the merit program. (A merit scholarship must be used at an accredited college in the United States, and the recipient's program of study must lead to one of the usual baccalaureate degrees.)

In response to requests made by high schools, such students are designated honorary merit scholars in order to honor them for their achievement. An honorary merit scholar receives no financial aid from NMSC; the college attended by the student does not receive a grant. The names of the students are announced with the other merit scholars, in order to give them public recognition, but in all statistical reports (such as the tables in NMSC's annual reports) the number of honorary merit scholars is indicated along with the number of stipend-bearing awards. In 1963, for example, there were 207 honorary merit scholars and 1528 stipend-bearing awards.

School and college comparisons

There are many reasons why NMSC emphasizes that it considers as unwarranted and unwise any comparison of high schools and colleges based solely on the number of semifinalists in each school or State, the number of merit scholarship winners in a school or State, or the number of merit scholars enrolled in a college. Although some of the reasons are implicit in the preceding review of the selection process, others are less obvious.

Different levels of test performance among students in various States were demonstrated before the establishment of the merit program, and the data in the merit program confirmed earlier independent assessments. The total body of this research indicates that the reasons for the differences are very complex. Professional opinion is in agreement that this particular phenomenon is extremely susceptible to misinterpretation.

The following are the major reasons why the quality or effectiveness of education within a State or within a school cannot be judged properly by the number of students in the State or school who are named semifinalists.

The number of semifinalists in each State is determined through a representational system based upon the number of high school graduates in each State.

Further, the percentage of schools and students participating in the merit program varies from State to State. Some schools in a State limit participation; others allow all able students to participate.

Many factors can influence the number of semifinalists in a given school. It is particularly important to note that there are different types of high schools with different educational purposes. Further, some schools have selective admissions policies, and other schools have the equivalent of a selective policy because they are located in relatively affluent residential areas where intellectual endeavors are encouraged by parents and where community support of the schools is high.

Other influences are the population distribution throughout the State, the size of the school, and the native intelligence of the top students in a school.

In brief, the number of semifinalists in any school depends to a considerable extent on the quality of the students who enroll and the quality (not wealth alone) of their home environment.

In addition, the number of merit scholarship winners in a school or State can be affected by the number of students in the school or State who are eligible for various sponsored merit scholarships. A sponsored program established, for example, to encourage and assist able students in a particular State will accomplish this goal by increasing the number of merit scholarship recipients selected from the finalist group in that State. Such a program does not represent a loss for any other State but does insure a gain in the number of merit scholarships awarded in a State especially benefited in this way.

Similarly, the establishment of college-sponsored merit scholarships means that more finalists will receive scholarships to their preferred colleges than would otherwise be the case, and also that there will be an increase in the total number of merit scholars enrolled in a college which finances such awards. On the other hand, it should not be assumed that all merit scholars enrolled in a college sponsoring awards are necessarily recipients of the college's own awards. In 1963, for example, of the 195 freshman merit scholars who enrolled at Michigan State University, 149 were sponsored by Michigan State and 46 receivde their awards from other sponsors and from NMSC. Nor do these college-sponsored awards duplicate or replace any existing merit scholarships, since the college selections take place after the recipients of other sponsored merit scholarships and national merit scholarships have been selected.

In summary, statistics regarding the semifinalists and merit scholars and their schools and colleges should not be used without consideration for and evaluation of the many factors that enter into the entire selection progess. These considerations begin with the number of students in a school who take the qualifying test and extend through the selection as merit scholars of finalists who meet the various preferential criteria of sponsors in addition to achieving the status of finalists.

In the merit program, it is the student—be he commended student, semifinalist, finalists, or merit scholarship recipient—who is given recognition. All of these highly able young persons bring honor not only to themselves, but also to their parents, their schools, and their communities. It is the student who is recognized for his achievement, however, and it is most helpful to students, schools, and colleges alike when this focus of the merit program is maintained.

Stipends of merit scholars

By basing the amount of a winner's stipend on his financial need, it is possible to honor all merit scholars for their achievement while utilizing the scholarship funds to assist a larger number of persons than would otherwise be the case.

No student fails to be named a merit scholar because he is without financial need. A student with financial need receives a stipend adjusted to his particular circumstances, and available resources are used to assist as many students as possible.

The minimum stipend is $100 a year; the maximum is normally $1,500 a year. (In addition, a grant to the scholar's college accompanies most of the awards.) Some sponsored scholarships have a $250 minimum, and a few exceed the normal $1,500 maximum. A minimum stipend is granted the student (as a tangible reward for his accomplishment) when parents state that, with certain sacrifices, they are able to send the student to the college of his choice, or when the computed need of the student is minimal.

In 1963, 37 percent of the newly appointed merit scholars received first-year stipends in the $100 to $250 range; 20 percent received stipends in the $300 to $950 range; 17 percent received stipends in the $1,000 to $1,450 range; and 26 percent received stipends of $1,500 or more. The average annual stipend was $796, or $3,184 for the 4 years of college.

A student's need is defined as the difference between the estimated cost of attending the college of his choice and the estimated amount the student and his family should be able to contribute annually toward the student's education.

A parent or guardian of each semifinalist supplies NMSC with confidential family financial information; NMSC obtains college cost data (tuition and fees plus room and board) from college officials, and adds an allowance for the student's miscellaneous expenses and travel. The estimated amount the student and his family should be able to contribute is determined by three major considerations:

First, the amount the student's family should be able to contribute from its income is estimated. The amount is determined by a procedure, generally accepted by many colleges, that takes into consideration the net taxable family income and the number of dependents in the family.

Second, the amount the student's family should be able to contribute from its assets is estimated. Only assets in excess of $10,000 are considered. Further, provision is made for allowable family indebtedness and a $500 emergency allowance for each family member.

Third, the amount the student can be expected to contribute from employment is added to the expected family contribution. Boys are expected to contribute $300, and girls $200.

The amount of the stipend is then determined by subtracting from the college budget the total amount expected from the student had his family. For example, where the annual college budget is $2,000 and the amount computed to be available from the student and his family is $1,000 annually, the merit scholar's annual stipend is $1,000.

Stipends may be adjusted in subsequent years in the event of a major change in the family's financial situation, a significant increase in college costs, a transfer from one college to another, or a combination of such circumstances. A merit scholarship thus serves as a form of educational insurance for the student and his family.

As in the case of most other 4-year scholarship awards and in acord with a stipend system based on individual financial need, merit scholars are not permitted to accept other major scholarships unless their need is considerably greater than the maximum stipend. In such a case NMSC and the college or other scholarship-granting agency wishing to supplement the merit scholarship then agree on the extent to which the student's need exceeds his merit stipend. All merit scholars are permitted, however, to accept monetary awards and prizes that do not exceed $500 over the usual 4-year college period.

Services for outstanding participants

The identification process that begins with the national merit scholarship qualifying test makes possible not only the selection of merit scholars, but also various services designed to help outstanding participants receive financial aid, if they need it, from sources other than the merit program. Studies indicate that about 50 percent of the semifinalists and commended students receive offers of aid from one or more of these sources.

NMSC' services are of two kinds: standard reports and special reports. The principal standard reports are the semifinalist booklet and college choice cards. A financial need survey report is also being produced on a pilot basis.

In September of each year the semifinalist booklet, a publication listing the names and schools of all semifinalists in the country, is sent to the scholarship offices of accredited colleges and universities, and to many other sources of financial aid for undergraduates. In October the names, tests scores, and home addresses of semifinalists and commended students are sent, on individual cards, to the colleges the students indicated as their first and second choices at the time they took the NMSQT. The order of a student's preference is not shown on the cards.

In 1962 and in 1963 a financial need survey was conducted through the schools in May, when semifinalists and commended students were nearing the end of their senior year. Each school received a list of its semifinalists and commended students. Those among them who lacked the financial resources to attend any college, and who for this reason were not planning to enroll, were invited to complete a questionnaire. The resulting information (home address, probable college major, preferred type and location of college, and the students' estimate of the amount he and his family expected to contribute toward college expenses) was published in a financial need survey report. This report was sent to colleges the first of June.

In addition to the preceding standard reports, NSMC provides certain special reports at the request of a college or scholarship-granting agency. These include, for example, statewide lists of commended students providing the same kind of information about them as is published regarding semifinalists in the semifinalist booklet. Standard reports are distributed at the expense of the merit program, but the institution or agency requesting a special report is asked to share the cost.

In 1964 NMSC will evaluate the extent to which the financial need survey report has been beneficial to students and useful to colleges, and then decide whether the survey should be continued. Similar evaluations are made periodically to determine the services that can be provided, either as standard reports or special reports.

Schools and Students Report Their Reasons for Participation

Two surveys completed this year provide important information regarding the reasons why students and schools participate in the national merit scholarship program. The first was a survey of all students who took the national merit scholarship qualifying test in 1962. The second was a survey of officials in a large sample of participating schools.

Student survey

Taking the qualifying test constitutes an application for scholarship consideration, and for this reason it has been assumed by many persons that all students who take the test do so for scholarship purposes.

That this is not the case has been known to NMSC and schools for some time, of course, for early in the merit program many counselors and principals reported that they use test results for guidance purposes. It is for this reason that NMSC has for several years provided students and schools with various interpretive publications and similar materials. And the results of the student survey indicate clearly that the intention of winning a scholarship is not the primary reason why the majority of students take the test.

The 1962 NMSQT was taken in 16,024 high schools by 585,479 eligible students (those who completed high school and entered college in 1963) and 10,762 other students. Each student was asked at the time he took the test, to name one of seven alternatives as the primary reason for participation. The student was assured that his response would have no effect on his status in the scholarship competition.

About 41 percent of the respondents reported that their primary reason for taking the NMSQT was the hope of obtaining scholarship aid from the merit program or another source. The second most important single reason for taking the test, particularly among girls, was the desire for information about individual educational strengths and weaknesses. This response was given by 23 percent. Closely related to the preceding reason were the alternatives "clarify my college plans" and "compare my educational development with others from all over the country." These reasons were given by just under 15 percent of the total group. Taken together, then, guidance-related answers were given by about 38 percent of the respondents.

Nearly 3 percent reported that they took the test because it was required by their schools. Many of these students were in schools constituting the equating group. Through special arrangements, all juniors in such schools take the test for norming purposes.

Students in different States showed considerable variation in the reason they gave as the primary one for taking the test. In one State less than 31 percent took the NMSQT primarily for scholarship purposes, whereas in another State more than 52 percent gave this reason.

Because the guidance aspects of the test are important to so many students, a major addition to the interpretive materials was made in 1963. This is a Handbook for Merit Program Participants, a 48-page publication designed to aid the student in—

Using other sources of information about himself.

Making plans for his future.

Choosing and applying to a college.

Finding sources of financial aid.

The Handbook is an additional effort to help students who take the NMSQT obtain a better understanding of their educational development, and to contribute toward making the participation of every student a useful educational experience. The publication was distributed to students through the schools. Even though this was the first edition, the Handbook appears to have been widely used, as is noted in the following report on the school survey, and its publication will therefore be continued.

School survey

To learn more about the attitudes of school officials toward the merit program, a questionnaire was sent last May to a sample of approximately 4,000 schools. The questionnaire was returned by 2,659, or nearly two-thirds. This unusually good response probably reflects the iterest of schools in the program.[1]

Questions in the survey related generally to three matters:

1. School policies on student participation in the National Merit Scholarship Qualifying Test.
2. Uses made of test results.
3. Opinions of school officials concerning the general effects and usefulness of the merit program as a whole.

The major conclusion to be drawn from the survey is that among responding schools a large majority (2,321, or 87 percent) find the merit program to be highly beneficial or helpful, with specific values for participating students and schools that exceed the function of the program as a mechanism for selecting merit scholars.

To whom is the test administered? The use that schools make of the test results is reflected in their policy regarding student participation.

A large majority of the schools (86 percent) permit any junior to register. Only 11 percent require all students to register. And 3 percent set an internal standard. Moreover, better than two-thirds of the schools do more than just "permit" students to take the test; they specifically encourage their top students to do so. However, the definition of a "top student" varied considerably.

Although schools do not overlook or undervalue the specific purpose of the NMSQT as a preliminary screening test in the merit scholarship competition, they regard the usefulness of the program as going considerably beyond this. The more students who take the test, for example, the more information the schools have to help them in counseling. At the same time, NMSC recognizes that the test has a value to students and schools beyond its use as a selection factor in the merit program itself.

How are the test results and program materials used by schools? Almost all the schools in the survey indicated that the results are reported to students in some way, and in 90 percent of these schools the test scores are used for counseling purposes.

More than three out of four schools use the information to help students in deciding on a senior program, in choosing a college, or in connection with career planning. And two out of three schools reported that they use the test results in conferences with parents.

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[1] Responses were tallied according to a description of the schools—size, location, and control (public, independent, or parochial). The responding group showed a slight bias in favor of larger schools. Moreover, almost one-fourth of the responses came from independent and parochial schools, although such schools constitute only one-eighth of all schools.

A matter of interest to both NMSC and schools has been the place of the NMSQT in the total testing program of the schools. Since the introduction of the NMSQT, the survey indicates, some schools have made changes in their regular testing program, dropping or adding one test or another. In general, however, the survey revealed that introduction of the NMSQT had little effect on the overall testing program.

The extensive use of test results in counseling is reflected in the wide use of interpretive and other materials provided by NMSC. The publication with the lowest frequency of use is utilized by 7 out of 10 counselors from responding schools. Three-fourths of the responding schools reported that publications designed for students and parents also are used frequently by counselors. The new *Handbook for Merit Program Participants*; for example, was used by students in 71 percent of the responding schools, by parents in 46 percent, and by counselors in 78 percent.

How do schools regard the total effect of the merit program? The program was described as highly beneficial by 20 percent of the responding schools, as helpful by 67 percent, and as somewhat harmful by less than 2 percent. None of the respondents regarded the program as very harmful; 6 percent indicated the program had no particular effect on their schools; and the remainder did not respond to any of the alternatives.

The comments of the 42 respondents who felt the program was somewhat harmful were reviewed. The reasons for the response fell generally into these categories: (1) interschool comparisons; (2) number of scholarships available; (3) effects of recognition on students; (4) need for additional guidance materials; (5) criticisms of the test; (6) temptation to teach toward the examination.

Because some comments revealed misunderstandings about the merit program, they were helpful in identifying where and how information materials should be improved. In the very few instances where serious misunderstandings were evidenced, NMSC communicated directly with the respondents.

The 2,321 respondents who considered the merit program to be either highly beneficial (529) or helpful (1,792) usually gave one of the following reasons: (1) motivates students toward greater effort in the senior year; (2) helps in charting the progress of classes in the school; (3) useful in evaluating the academic strenghts and weaknesses of individual students; (4) directs community attention to scholastic accomplishment; (5) promotes recognition of academic achievement; (6) useful for college and vocational guidance; (7) results in other scholarship offers to those who perform at a high level.

The questionnaire also asked for suggestions on how the program might be made more helpful. The resulting suggestions were closely related, of course, to the respondents' attitudes toward the program. Suggestions focused on (1) giving more recognition to students who just miss achieving at the highest levels; (2) developing additional measures of creativity and giving greater emphasis to this factor; (3) providing norms for college-bound students, and more guidance materials for schools to use in encouraging student participation and in interpreting test results.

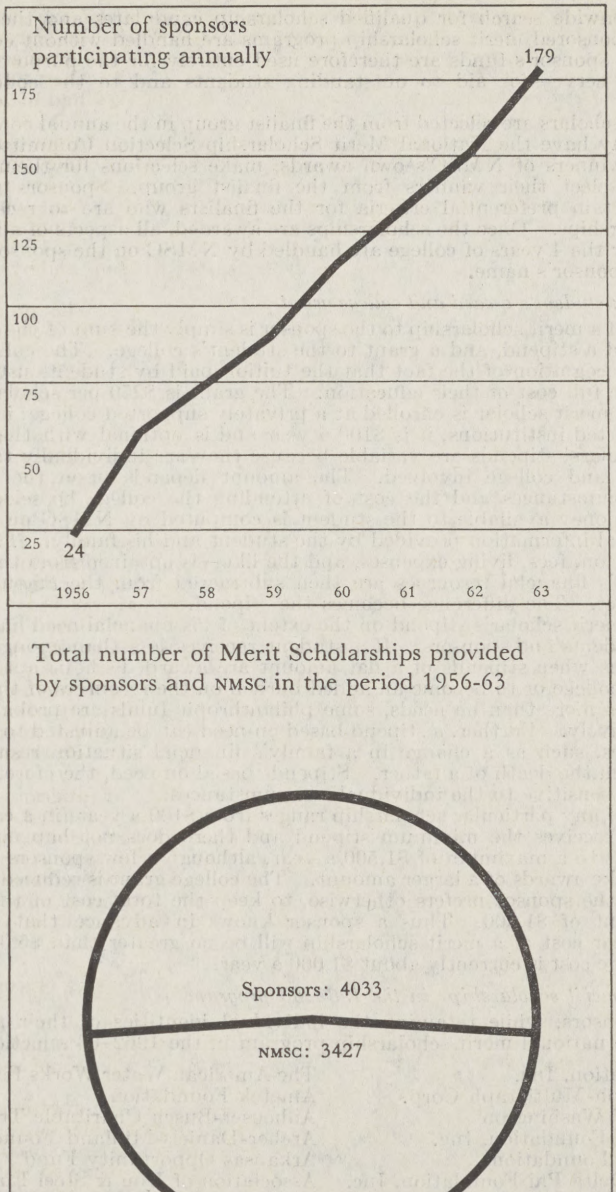
Sponsored Merit Scholarship Programs Attain New Levels

Corporate sponsorship of scholarships is at its highest level in educational history. Along with this development is a notable growth in the number of merit scholarship programs financed by other sources, such as professional associations and similar organizations, foundations, unions, and trusts.

As is shown in the graph on page 26, there has been a sevenfold expansion in the number of sponsors participating in the national merit scholarship program—from 24 in 1956 to 179 in 1963. Of the 7,460 merit scholars appointed since the merit program was inaugurated, 4,033, or 54 percent, have received their awards from sponsors. The number of sponsored merit scholarships awarded in 1963 was 951.

NMSC pays administrative expenses

Each sponsor annually offers from 1 to more than 150 merit scholarships. Also, the National Merit Scholarship Corp. makes awards out of funds provided by the Ford Foundation (there were 577 of these national merit scholarships awarded in 1963), and meets the costs of administering the program. It is principally because of the yearly increase in the number of private organizations sponsoring merit scholarships that the merit program has become the largest non-tax-supported scholarship program in the United States.


Number of sponsors
participating annually
179
175
150
125
100
75
50
25
24
1956
57
58
59
60
61
62
63
Total number of Merit Scholarships provided
by sponsors and NMSC in the period 1956-63
Sponsors: 4033
NMSC: 3427
(total: 7460)

The nationwide search for qualified scholarship candidates and the administration of sponsored merit scholarship programs are handled without cost to the sponsor. A sponsor's funds are therefore used entirely for the purpose they are intended to serve—for aid to outstanding students and to the colleges they attend.

All merit scholars are selected from the finalist group in the annual competition. Sponsors may have the National Merit Scholarship Selection Committee, which names the winners of NMSC's own awards, make selections for them, or may themselves select their winners from the finalist group. Sponsors may also establish certain preferential criteria for the finalists who are to receive their merit scholarships. Once the scholarships are awarded, all aspects of administering them for the 4 years of college are handled by NMSC on the sponsor's behalf and in the sponsor's name.

Sponsor cost: student's award and college grant

The cost of a merit scholarship to the sponsor is simply the sum of the student's award, called a stipend, and a grant to the student's college. The college grant is made in recognition of the fact that the tuition paid by students usually does not meet the full cost of their education. The grant is $250 per scholarship annually if the merit scholar is enrolled at a privately supported college; in the case of tax-supported institutions, it is $100 a year and is optional with the sponsor.

Merit scholars' stipends are variable because they are individually tailored to the student and college involved. The amount depends upon the student's financial circumstances and the cost of attending the college he selects. The amount of money available to the student is computed by NMSC on the basis of confidential information provided by the student and his family. The college budget—tuition, fees, living expenses, and the like—is obtained from the college. The student's financial resources are then subtracted from the amount of the college budget. The difference becomes the stipend.

Basing a merit scholar's stipend on the extent of his financial need has benefits for both students and sponsors. If a student receives less than enough—which often happens when stipends of a flat amount are awarded—he is apt either to drop out of college or to become an added burden on the resources of the college. If he receives more than he needs, some philanthropic funds are probably being used ineffectively. Further, a stipend based on need can be adjusted to changing circumstances, such as a change in a family's financial situation resulting, for example, from the death of a father. Stipends based on need, therefore, are both realistic and sensitive to the individual's circumstances.

The cost of any particular scholarship ranges from $100 a year (in a case where the student receives the minimum stipend and there does not happen to be a college grant) to a maximum of $1,500 a year, although a few sponsors retain an option to make awards of a larger amount. The college grant is reduced as necessary, unless the sponsor prefers otherwise, to keep the total cost of the stipend and the grant of $1,500. Thus a sponsor knows in advance that the total possible 4-year cost of a merit scholarship will be no greater than $6,000. The actual average cost is currently about $1,000 a year.

Sponsors of merit scholarships in the 1962–63 program

These sponsors, while retaining the individual identities of their programs, joined in the national merit scholarship program in the 1962–63 selections:

ACF Foundation, Inc.
Addressograph-Multigraph Corp.
Aero Club of Washington
Allied Stores Foundation, Inc.
The Allstate Foundation
The Alpha Delta Phi Foundation, Inc.
American Bank Note Co.
American Brake Shoe Foundation, Inc.
American Federation of Labor & Congress of Industrial Organizations
American Institute of Certified Public Accountants
AMF Foundation [1] (American Machine & Foundry Co.)
American Potash & Chemical Corp.
The American Tobacco Co.
The American Water Works Foundation
Ametek Foundation
Anheuser-Busch Charitable Trust
Archer-Daniels-Midland Foundation
Arkansas Opportunity Fund
Association of Iron & Steel Engineers
Atlas Chemical Industries, Inc.
Automatic Canteen Co. of America
Joseph W. and Elsie E. Beck Foundation
Bennington College
The Boeing Co.
Borg-Warner Foundation, Inc.
Bowdoin College
Bricklayers, Masons & Plasterers International Union of America

[1] Indicates sponsors who also awarded special scholarships. See table 10 and discussion on pp. 15–16.

The Browning Foundation Inc.
Burroughs Wellcome & Co. (U.S.A.) Inc.
John Bulow Campbell Foundation
The Carpenter Steel Foundation [1]
Celanese Corp. of America [1]
Central & South West Corp.
Central Soya Co., Inc.
The Chase Manhattan Bank Foundation
Chicago Title & Trust Co. Foundation
Chrysler Corp. Fund [1]
The C.I.T. Foundation, Inc. (C.I.T. Financial Corp.)
Claremont Men's College
Columbian Carbon Co.
Consolidated's Civic Foundation, Inc. (Consolidated Papers, Inc.)
Concora Foundation (Container Corp. of America)
Continental Illinois National Bank & Trust Co. of Chicago
CCA Foundation, Inc. (Controls Co. of America)
Cutler-Hammer Foundation
Delaware Power & Light Co.
Deluxe Check Printers Foundation, Inc.
The Detroit Edison Co.
Diamond Alkali Co.
The A. B. Dick Foundation
The Reuben H. Donnelley Corp.
The Dow Chemical Co.
Dow Corning Corp.
The Camille & Henry Dreyfus Foundation, Inc.
Eaton Manufacturing Co.
Everest & Jennings, Inc.
The FMC Foundation
Federal-Mogul-Bower Bearings, Inc.
Field Enterprises Educational Corp.
First Marine Division Association, Inc.
Frost National Bank of San Antonio, Tex., trustee under the will of Rocco C. Caffarelli
Frost National Bank of San Antonio, Tex., trustee under the will of Myra Stafford Pryor
Gamble-Skogmo, Inc.
General Dynamics Corp.
The General Foods Fund, Inc.
The General Tire Foundation
The Gillette Co.
The Glidden Co.
The B. F. Goodrich Fund, Inc.
Grainger Charitable Trust
The Griesinger Foundation
Gulf Oil Corp.
Harvey Mudd College
Hercules Powder Co., Inc.
Ideal Cement Co.
Inland Container Corp. Foundation, Inc.
Inland Steel-Ryerson Foundation, Inc.
International Business Machines Corp.[1]
The International Nickel Co., Inc.
International Union of Operating Engineers
The Jockey Hollow Foundation, Inc.
Johnson Motor Lines, Inc.
Kimberley-Clark Foundation, Inc.
Koppers Co., Inc.
Latrobe Steel Co.
Lehigh Portland Cement Co.
Ling-Temco-Vought, Inc.
Thomas J. Lipton Foundation, Inc.
The Paul W. Litchfield Foundation
The P. Lorillard Co. Foundation
The Lubrizol Foundation
The R. C. Mahon Foundation
Moses M. and Marion Marcuse Fund [1]
Maryland State and District of Columbia AFL–CIO
McGraw-Hill Publishing Co., Inc.
The Mead Corp. Foundation
Edwin T. Meredith Foundation
Michigan State University
Minnesota Mining & Manufacturing Co.[1]
National Biscuit Co. Foundation
National Distillers & Chemical Foundation, Inc.
National Distillers Distributors Foundation [1]
New England Mutual Life Insurance Co.
New Jersey Manufacturers Casualty Insurance Co.
The 1907 Foundation, Inc. (United Parcel Service)
Northern Illinois Gas Co.
Northrop Corp.
Jessie Smith Noyes Foundation, Inc.
Occidental College
Ohio Brass Foundation
Ohmite Manufacturing Co.
Olin Mathieson Chemical Corp.
The Elis Olsson-Chesapeake Foundation [1]
Outboard Marine Corp.
Owens-Corning Fiberglass Corp.
The Pet Milk Foundation
Chas. Pfizer & Co., Inc.[1]
Phelhs Dodge Foundation
Philadelphia Electric Co.
The Pittsburgh Plate Glass Foundation [1]
Portland General Electric Co.
The President's Fund [2]
Public Service Electric & Gas Co.
The Quaker Oats Foundation
Radio Corp. of America
Raytheon Co.
The Reader's Digest Association, Inc.
R. J. Reynolds Tobacco Co.[1]
Ripon College
Rohm & Haas Co.
Rosary College
Rotary Educational Foundation of Atlanta, Inc.
Ryan Aeronautical Foundation
Santa Fe Foundation, Inc.[1]
The Sears, Roebuck Foundation
Shell Cos. Foundation, Inc.
David T. Siegel Foundation

[1] Indicates sponsors who also awarded special scholarships. See table 10 and discussion on pp. 15-16.
[2] The President's Fund is discussed on the following page.

Signode Foundation, Inc.
Sinclair Oil Corp.
The Singer Co. Foundation
The Venette & Mabel Sites Foundation
A. O. Smith Foundation, Inc.
Spiegel, Inc.
Standard Oil Foundation, Inc.
State Farm Foundation (State Farm Insurance Cos.)
Edgar Stern Family Fund
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Stone & Webster, Inc.
Stop & Shop, Inc.
Stranahan Foundation (Champion Spark Plug Co.)
Sun Oil Co.
Swift & Co. Foundation
Tennessee River Pulp & Paper Co.
Texas Christian University
Texins Association
Textron, Inc.
Thorncroft Fund, Inc.
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Titmus Optical Co., Inc.
Travelers Men's Club and Travelers Girls' Club of the Travelers Insurance Cos.
Union Oil Co. of California Foundation
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United-Greenfield Foundation
U.S. Air Force Central Welfare Fund
Universal Match Foundation, Inc.
The Upjohn Co.
Utility Workers Union of America
Van Raalte Co., Inc.
Vanity Fair Mills, Inc.
Warner-Lambert Pharmaceutical Co.[1]
The Webtex Co.
Western Electric Co., Inc.
The Western Publishing Co., Foundation
Weyerhaeuser Co., Foundation
The Benjamin & Fredora K. Wolf Memorial Foundation
F. W. Woolworth Co.
Youth Service Fund, Inc.

The President's Fund

In 1963, four exceptionally able—and exceptionally needy—young men and women were awarded merit scholarships financed by patrons of the president's fund.

The president's fund was established in response to the requests of a number of companies, foundations, and individuals who wanted to participate in providing scholarships through the merit program, but were not prepared individually to sponsor a full 4-year scholarship. By pooling their resources in the president's fund, these patrons make possible additional awards each year.

President's fund merit scholars are highly able students who are chosen from the finalist group in the annual competition. There is one additional consideration: they must be students whose financial need is great and whose records indicate that, despite this handicap, they are determined to succeed.

The fund is administered by the president of the National Merit Scholarship Corp. He is assisted in his selection of president's fund merit scholars by the national merit scholarship selection committee, a panel of educators from colleges and high schools throughout the country.

Contributions to the president's fund totaled $41,821 in 1962–63. The contributions were made by the patrons listed below.

CORPORATIONS AND FOUNDATIONS

The Cleveland-Cliffs Foundation
Donors Anonymous Foundation
The Johnson Foundation
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Research Projects and Results

Research has been an integral part of the national merit scholarship program since the merit program was initiated in 1956. The chief purposes of NMSC's research are to find ways of improving the merit program and to add to the fund of knowledge regarding the discovery and development of talented students.

Support for this research has come from the Carnegie Corp. of New York, the National Science Foundation, and the Old Dominion Foundation, as well as funds from the Ford Foundation.

In its studies of highly able persons, the research division concerns itself with four broad areas:

Identification.—What are the characteristics of intellectually able high school school students and how can these students be identified?

Educational influences.—Once identified, how can promising students be helped to develop their talents in productive ways?

Origins.—What are the genetic factors and early life experiences that are important in the development of able young persons?

Career development.—What are the major influences determining the vocational and avocational areas in which the abilities of talented students will be used?

Program directors conducting these studies are Dr. Alexander W. Astin and Dr. Robert C. Nichols. Dr. John L. Holland, director of research, resigned his position in September 1963 to become vice president for research of the American college testing program.

Identification

Every year since the initial group of merit scholars was selected in 1956, the research staff has obtained extensive information from samples of finalists in addition to that gathered in the course of the scholarship competition. These students, as well as samples of students who did not attain finalist status, have been the subject of followup studies to obtain information about the students' achievements during and after college.

It is now possible to make certain generalizations based on this series of studies:

1. Although finalists tend to come from families of above-average socioeconomic status, controlled studies have shown that their superior performance cannot be attributed to social and economic factors. (About 45 percent of the winners require financial help of $1,000 a year or more.)

2. Different kinds of achievement tend to be positively correlated, but these correlations are quite low in samples of highly able students. Academic achievement and extracurricular achievement in science, art, music, dramatics, and leadership are, for all practical purposes, unrelated attainments.

3. It has been shown that measures of academic aptitude are related to achievement in all academic subjects. However, among finalists, already selected because of their high scores on tests of educational development and scholastic aptitude, the correlations between ability measures and later achievement are quite low (correlations around 0.10 to 0.15 are typical).

4. In addition to tests of intellectual ability, two other sources of information have proved useful in predicting the future achievements of finalists: (*a*) measures of perseverance and drive to achieve and (*b*) measures of interest. These findings suggest that a student's interests determine the areas in which he will attempt to achieve, and that the level of accomplishment is determined in part by the degree of motivation to achieve.

One of the developments this year in the area of identification was the construction and testing of scales for measuring a student's potential for achievement. These scales appear to be useful in predicting academic achievement and extracurricular achievement in the areas of science, leadership, art, dramatics, writing, and music.

Previous studies have shown that achievement in high school tends to be the best predictor of comparable achievement in college. Yet records of achievement in high school have several shortcomings as indicators of future promise: (1) They are affected by differences in opportunity, so that it is possible to overlook a student from a high school with limited facilities for certain kinds of achievement; (2) reports of past achievement may be exaggerated; and (3) records obviously cannot identify certain students whose promise has not yet been demonstrated overtly. In short, dependence on records of early achievement for selection would tend to overlook students with a latent potential for achievment, certainly a group that should be identified if possible.

In an attempt to develop scales which would identify these latent achievers, a number of personal characteristics and activities were correlated with measures of achievement in high school. The resulting measures were found to be at least as effective in predicting college achievement as were actual records of achievement in high school. In some cases these scales were even more effective. The finding of this "bootstraps effect"—in which some of the potential scales are actually more effective predictors than the criterion achievements against which they were developed—suggests that it will be possible to develop even more effective methods for identifying latent talent.

In another large-scale identification project completed during the year, the most promising predictors of achievement were selected from all previous NMSC identification studies and were combined in a single study. Using this battery to make blind predictions, NMSC researchers were able to identify, with considerable accuracy, the potential achievers among a group of merit finalists. This study also confirmed previous findings that different personal characteristics lead to different kinds of achievement. For example, the variables which predict publication of writing were found to be generally different from those which predict creative but unpublished writing. Unpublished writing was predicted by a variety of measures of creativity and originality, and by a preference for imagination and intuition over facts and careful reasoning. Unpublished writing also tended to be correlated with achievement in other artistic areas. Publication, on the other hand, was related to measures of drive and social dominance, and tended to be correlated with leadership.

In the past, NMSC researchers have devoted attention to performance on aptitude tests and actual achievements in academic or extracurricular activities as indexes of talent. Now they have begun to inquire also into other areas of behavior and are investigating whether measures of personal development and social responsibility may also be useful as additional manifestations of talent.

Educational influences

Early in the merit program it was observed that certain colleges were much more popular among finalists than other colleges. Further, one of the more obvious effects of a scholarship award was that it increased the chances that a winner would enroll at one of the colleges popular with merit finalists.

These early findings provided the stimulus for a series of studies exploring this general question: in terms of his later achievement and personal development, what are the consequences for an able student of attending one kind of college rather than another?

NMSC research on educational influences has generally been of two kinds: studies of the college environment itself, and studies of the effects of different college environments on student development. Research on the comparative effects of college presents a uniquely difficult problem in the design of each study. Although it is a relatively simple task to show that students at one kind of college perform differently from students at another kind of college, it is quite another problem to interpret these differences. Do students behave differently because they have been affected differently by their colleges, or merely because, to start with, different kinds of students enroll in different kinds of colleges? This problem has been approached by first calculating the "expected" performance of the student, on the basis of his characteristics as determined at the time he enters college. Subsequently, the student's actual performance during and after college is determined and compared with his expected performance. Deviations from the expected performance are then related to various characteristics of the college itself.

Studies of this type are designed to assess the effects of colleges on the student's achievements, aptitude, personality, career choice, and persistence in college. Representative findings of these studies indicate that—

1. The chances that a student will achieve at a high level during college (either in academic or extracurricular areas) are reduced if he attends a relatively selective college.

2. The likelihood that a male student will pursue a career in science after college appears to be increased by attendance at either a technological institution or a coeducational liberal arts college, and to be decreased by attendance at a northeastern college for men. The likelihood that a female student will pursue a career in science after college appears to be decreased if she attends a relatively selective college.

3. The effects of a college on verbal and mathematical aptitude appear to be reciprocal. That is, if a college tends to increase verbal aptitude, it tends also to decrease mathematical aptitude, and vice versa.

4. The dropout rate among male students does not appear to be related to college differences. However, the chances that a female student will leave college

before graduation appear to be increased if she attends a college with a relatively high proportion of males in the student body.

5. Changes in the student's personality during college tend to be in the direction of the dominant or modal characteristics of the college. For example, a student is more likely to become interested in a career in business if he attends an institution with a relatively high proportion of other students who plan to become businessmen. Similarly, a student's need for status tends to be increased if he attends a relatively selective college.

Two general conclusions can be drawn from these studies of educational influences. First, differences between colleges in their effects on able students are relatively small. Second, most of the predictable variations in student performance during and after college can be traced to differences among the students that existed prior to their entry into college. Thus a talented student's choice of a college appears to make relatively little difference in terms of the outcomes that have been studied to date (academic and extracurricular achievement, educational aspirations, career plans, academic ability, and personality characteristics).

The second type of research in this area—studies of the colleges themselves—is designed to develop better measures of the environments of different colleges. Eventually these improved measures will be utilized in studies of the comparative effects of college.

The general approach to the problem of characterizing colleges has been to obtain as much information as possible about different colleges—such as the kinds of students they enroll, the characteristics of the faculty, and administrative practices.

In one study an attempt was made to determine the characteristics of student bodies entering different types of institutions. Data concerning high school achievements, future educational and vocational plans, and socioeconomic level were obtained from each 127,212 entering freshmen at 248 institutions. With a few exceptions, these students represented the entire entering class at each college. Fifty-two "input scores" for each of the 248 entering classes were calculated. Examples of these scores include the average high school grades of each entering freshman class, and the percentage of entering students at each college who planned to take graduate training.

Results of factor-analytic studies using these 52 scores indicated that the major differences between entering classes can be described in terms of 6 factors: intellectualism, estheticism, status, leadership, masculinity, and pragmatism. Classes entering technological institutions ranked far above other entering classes in intellectualism and pragmatism. Private nonsectarian liberal arts colleges ranked highest on estheticism, status, and leadership. Catholic universities were highest on masculinity. Additional analyses indicated that these characteristics of entering classes can be predicted with substantial accuracy from published information about colleges.

Several studies currently in progress are designed to develop improved methods of assessing the psychological "environments" of institutions. The principal study is based on detailed observations about the college enviroment obtained from 30,000 students—approximately 100 to 125 at each of 246 institutions. Each student was asked to report on a variety of activities and experiences from his freshman year. In addition the student was requested to describe specific individuals at the institution, such as his roommates and professors, in terms of certain traits and observable forms of behavior. Descriptions of the college as a whole were obtained from each of the students. These data, together with information provided by officials at each institution, are being analyzed separately in terms of student characteristics, faculty characteristics, administrative practices, and geographic factors.

Origins

A relatively new area of NMSC research is the study of how genetic factors and early life experiences affect different kinds of performance, and only preliminary findings are available at this time.

Two current projects deal with this important matter. One is a study of approximately 1,000 sets of twins. Its purpose is to obtain information about the relative importance of genetic and environmental influences in determining many forms of behavior that are relevant to talented performance. In the second project parents and students are being asked to give extensive retrospective reports about the student's early experiences and environment. This information will be related to measures of later achievement to obtain data from which inferences concerning the early development of talented students can be made.

Preliminary results of one study suggest that the characteristics of the father and his interaction with the child are more highly related to later achievements of the child than are the characteristics of the mother. Another finding is that the child tends to achieve in areas that are consistent with the expressed interests of the parents. The level of achievement has also been related to the goals for the child expressed by his parents. A student whose parents desire him to be independent and self-reliant tends to achieve at a higher level in creative areas than a student whose parents expect conformity.

Career development

NMSC studies of career development have resulted in ways of classifying occupations, provided information about the personal characteristics of students entering various occupations, and established the basis of methods for predicting career choice and changes in career plans.

A recent study was concerned with the life goals of talented students, and the relationship of a student's goals to his career choice. Factor analysis of a questionnaire revealed that the life goals of talented students could be described in terms of five main dimensions: personal comfort, prestige, altruism, achievement in artistic areas, and achievement in scientific-technical areas. The life goals of students in different career fields were found to be strikingly different. For example, students planning to become businessmen tended to be more concerned about achieving personal comfort than students planning other kinds of careers. Students planning to become physicians tended to be more interested in helping others than those planning to enter most other fields.

Another study examined the finalists' stereotypes of persons in various occupations. The purpose of this study was to investigate the accuracy of the information finalists possess about people in different fields of endeavor at the time students typically make decisions about their future careers—that is, at the time they graduate from high school. It was found that their stereotypes of people in various occupations are in general quite accurate, and students planning to enter a particular field tended to describe themselves in terms similar to their stereotype of adults in that particular occupation.

The theory that students tend to enter an occupation where they are like other people in that occupation was supported by a related study. This study showed that college students tend to stay in their major fields of study when their self-descriptions are like that of the typical student in that field, while those who describe themselves differently from the typical student in their initial major field tend to change to a second field in which they are more like the typical student.

A third study singled out for special attention those students who reported, at the time they graduated from high school, that they were undecided about their future occupation. It was found that students who are undecided about their careers tend to have higher potential for creative achievement than those who reach an early decision. A scale constructed from items related to occupational indecision was found to have validity for predicting change in major field in college. The more a student was like the undecided students in personality, as measured by the scale, the more likely he was to change his major field in college

TABLE 1.—*Number of participating secondary schools and students, by State, in the 1963 program*

	Qualifying test		Semifinalists		Scholars	
	Schools	Students	Schools	Students	Schools	Students
Alabama	272	7,815	71	191	19	24
Alaska	21	734	6	11	2	2
Arizona	87	3,514	30	68	9	10
Arkansas	205	4,192	43	113	16	22
California	742	37,769	315	900	96	120
Colorado	208	6,080	45	105	12	15
Connecticut	174	9,562	64	146	19	21
Delaware	45	1,885	10	24	4	5
District of Columbia	31	1,600	16	80	5	6
Florida	270	13,973	89	226	23	37
Georgia	303	9,809	83	219	33	42
Hawaii	45	2,606	18	50	4	5
Idaho	95	3,030	24	54	6	6
Illinois	762	37,253	187	630	80	112
Indiana	535	17,866	136	316	36	50
Iowa	516	9,557	118	215	25	27
Kansas	362	8,579	48	145	12	22
Kentucky	270	7,271	66	157	14	22
Louisiana	308	7,647	65	186	21	27
Maine	196	3,888	40	65	7	7
Maryland	183	9,153	51	172	17	26
Massachusetts	407	20,248	120	308	38	45
Michigan	713	34,350	191	518	99	134
Minnesota	478	10,880	107	235	41	56
Mississippi	212	4,426	50	111	10	13
Missouri	358	11,776	76	250	20	30
Montana	129	2,934	20	45	7	9
Nebraska	315	6,850	37	91	6	7
Nevada	35	1,155	7	14	2	3
New Hampshire	95	2,621	24	39	8	8
New Jersey	353	22,061	150	378	47	62
New Mexico	71	2,061	22	53	10	12
New York	1,116	68,963	303	885	92	124
North Carolina	474	12,572	102	252	27	35
North Dakota	161	2,039	24	49	5	6
Ohio	831	30,287	255	628	84	116
Oklahoma	234	6,590	52	157	21	31
Oregon	196	6,787	56	110	17	18
Pennsylvania	890	39,066	271	799	83	113
Rhode Island	56	2,856	16	48	6	6
South Carolina	252	7,928	51	138	15	16
South Dakota	127	1,997	25	46	6	7
Tennessee	290	8,536	71	197	18	20
Texas	744	25,410	155	446	64	91
Utah	66	3,399	26	64	5	9
Vermont	87	1,584	18	26	3	3
Virginia	331	9,417	68	182	17	23
Washington	282	13,417	81	173	19	20
West Virginia	191	4,442	45	113	14	17
Wisconsin	434	16,118	111	243	38	45
Wyoming	65	1,470	12	23	6	9
Puerto Rico	98	1,693	9	10	1	1
Territorial, foreign, and governmental	139	2,983	50	78	10	12
Boarding schools	164	5,542	80	346	15	26
Total	16,024	596,241	4,210	11,128	1,314	[1] 1,735

[1] This figure includes 207 honorary merit scholars. An honorary merit scholar is one who receives no financial aid because he has another scholarship, or plans to enroll in a curriculum not covered by the merit program.

TABLE 2.—*1963 scholars, classified by type of school attended and size of senior class*

	Public schools	Independent schools	Catholic schools	All schools
Size of senior class:				
900 and more	31			31
800 to 899	36			36
700 to 799	55			55
600 to 699	102		1	103
500 to 599	137		2	139
400 to 499	196		4	200
300 to 399	216	3	6	225
200 to 299	245	8	32	285
100 to 199	264	13	48	325
50 to 99	133	54	36	223
1 to 49	51	40	16	107
Not given	3	2	1	6
Number of scholars	1,469	120	146	[1] 1,735
Percentage	85	7	8	100
Total number of schools				1,314

[1] This figure includes 207 honorary merit scholars.

TABLE 3.—*1963 scholars, classified by type of school attended and percent of senior class attending college*

	Public schools	Independent schools	Catholic schools	All schools
Percent of class entering college:				
90 to 100	83	107	47	237
80 to 89	140	4	16	160
70 to 79	188	2	19	209
60 to 69	247	2	20	269
50 to 59	236	2	12	250
40 to 49	239		14	253
30 to 39	198	1	10	209
20 to 29	61		1	62
10 to 19	6		1	7
Not given	71	2	6	79
Number of scholars	1,469	120	146	[1] 1,735
Percentage	85	7	8	100
Total number of schools				1,314

[1] This figure includes 207 honorary merit scholars.

TABLE 4.—*Distribution of scores of 1963 scholars on CEEB scholastic aptitude test*

	Verbal section			Mathematics section		
	Boys	Girls	Total	Boys	Girls	Total
Scores:						
800	13	1	14	19	2	21
750 to 799	239	98	337	433	67	500
700 to 749	550	239	789	535	215	750
650 to 699	302	128	430	185	125	310
600 to 649	101	35	136	37	63	100
550 to 599	19	7	26	15	23	38
500 to 549	2		2	3	9	12
450 to 499	1		1		4	4
Total	1,227	508	[1] 1,735	1,227	508	[1] 1,735

[1] This figure includes 207 honorary merit scholars.

TABLE 5.—*Colleges from which scholars have been graduated and college enrollment of scholars, 1963–64* [1]

	Graduated	In college
Abilene Christian College	2	2
Agnes Scott College	6	10
Akron, University of	1	1
Alabama, University of	4	6
Alabama College	1	------------
Alameda County State College	------------	1
Albertus Magnus College	------------	1
Albion College	3	2
Albright College	------------	4
Alfred University	1	------------
Allegheny College	3	3
Alma College	------------	2
American University	------------	1
Amherst College	20	34
Antioch College	6	13
Aquinas College	------------	2
Arizona, University of	7	5
Arizona State University	------------	3
Arkansas, University of	16	31
Arkansas Polytechnic College	1	2
Arkansas State College	------------	1
Arkansas State Teachers College	------------	1
Arlington State College	------------	2
Auburn University	2	4
Augsburg College	1	------------
Augustana College (Illinois)	1	1
Augustana College (South Dakota)	1	------------
Austin College	2	------------
Baker University	------------	1
Ball State Teachers College	1	2
Bard College	2	------------
Barnard College	14	8
Bates College	4	3
Baylor University	10	4
Bellarmine College	------------	1
Beloit College	3	2
Bennington College *	------------	4
Bethany College (Kansas)	1	------------
Bethany College (West Virginia)	------------	1
Bethany Nazarene College	1	------------
Birmingham-Southern College	4	5
Blackburn College	1	1
Bluffton College	1	1
Boston College	3	9
Boston University	3	6
Bowdoin College *	4	12
Bowling Green State University	------------	1
Bradley University	------------	2
Brandeis University	7	7
Brigham Young University	5	11
Brooklyn College	------------	2
Brown University	10	31
Pembroke College	4	3
Bryn Mawr College	12	20
Bucknell University	7	7
Buffalo, University of	3	2
Butler University	1	1
California, University of:		
Berkeley	20	57
Davis	------------	4
Los Angeles	10	18
Riverside	2	6
Santa Barbara	------------	1
California Institute of Technology	60	94
Calvin College	2	4
Capital University	1	3
Cardinal Stritch College	------------	1
Carleton College	24	53
Carnegie Institute of Technology	20	24
Carroll College (Wisconsin)	3	2
Carson-Newman College	1	------------
Carthage College	1	------------
Case Institute of Technology	17	21
Catholic University of America	3	5
Cedar Crest College	------------	1
Centenary College (Louisiana)	1	1
Central Connecticut State College	------------	1
Central Methodist College	1	------------
Central Michigan University	------------	1
Centre College of Kentucky	2	2
Chapman College	------------	1

See footnotes at end of table, p. 167.

TABLE 5.—*Colleges from which scholars have been graduated and college enrollment of scholars, 1963–64* [1]—Continued

	Graduated	In college
Charleston, College of	1	1
Chattanooga, University of		1
Chestnut Hill College	1	1
Chicago, University of	39	52
Cincinnati, University of	1	8
Claremont Men's College*	1	4
Clarion State Teachers College	1	
Clarke College		2
Clarkson College of Technology		3
Clemson College	1	1
Coe College		1
Coker College	1	
Colby College	1	3
Colgate University	2	1
Colorado, University of	9	11
Colorado College	1	1
Colorado School of Mines	1	5
Colorado State College	1	
Colorado State University	4	3
Columbia University	24	35
Concordia College (Minnesota)	1	3
Concordia Lutheran Junior College		1
Concordia Teachers College		1
Connecticut, University of		2
Connecticut College	1	
Converse College	1	
Cooper Union		3
Cornell College	1	2
Cornell University	43	68
Creighton University	1	1
Culver-Stockton College	1	
Dartmouth College	21	34
David Lipscomb College	1	1
Davidson College	15	15
Davis & Elkins College	1	
Dayton, University of		1
Delaware, University of	1	3
Delta State College		1
Denison University	5	7
Denver, University of	2	3
DePaul University	1	
DePauw University	9	6
Detroit, University of	4	4
Dickinson College	3	3
Dominican College of San Rafael	1	
Drake University	1	3
Drew University		2
Drexel Institute of Technology		3
Drury College	1	
Duke University	32	64
Dunbarton College		1
Earlham College	1	3
East Central State College (Oklahoma)		1
Eastern Illinois University		1
Eastern New Mexico University		2
Elon College	1	
Emory University	12	17
Emory & Henry College	1	
Erskine College	2	1
Evansville College		1
Fairfield University	1	
Fenn College		1
Flint Junior College	1	
Florida, University of	4	6
Florida Presbyterian College		8
Florida State University	2	4
Foothill College		1
Fordham University	5	3
Franklin College	1	2
Franklin & Marshall College	2	2
Furman University	2	1
George Fox College		1
George Washington University	2	2
Georgetown University	11	20
Georgia, University of	3	4
Georgia Institute of Technology	17	32
Gettysburg College		5
Glenville State College	1	
Gonzaga University	3	2
Gordon College	1	
Goshen College		1

See footnotes at end of table, p. 167.

TABLE 5.—*Colleges from which scholars have been graduated and college enrollment of scholars, 1963–64* [1]—Continued

	Graduated	In college
Goucher College	3	3
Greenville College	1	1
Grinnell College	5	8
Grove City College	1	
Gustavus Adolphus College		2
Gwynedd-Mercy Junior College		1
Hamilton College	4	5
Hamline University	3	
Hanover College	1	2
Hardin-Simmons University	1	
Harding College	4	1
Harvard College	247	344
Harvey Mudd College*	3	6
Hastings College		1
Haverford College	14	10
Hawaii, University of		3
Henderson State Teachers College		1
Hendrix College	6	8
Hiram College	1	1
Hobart College		1
Hollins College	1	2
Holy Cross, College of the	6	8
Hope College	2	4
Houghton College	3	1
Houston, University of	2	
Howard College	2	
Hunter College		1
Huntingdon College	1	1
Huron College	2	
Idaho, University of	2	
Idaho, College of	1	
Illinois, University of	20	28
Chicago Campus		1
Illinois College	1	
Illinois Institute of Technology	5	7
Illinois State Normal University	1	
Illinois Wesleyan University	1	1
Immaculata College	1	
Indiana University	21	26
Indiana State College	1	1
Iowa, University of	14	16
Iowa State University	17	22
Iowa, State College of	2	2
Jefferson Medical College		1
John Carroll University		1
Johns Hopkins University	10	18
School of Nursing		1
Juilliard School of Music		1
Juniata College	2	2
Kalamazoo College	6	15
Kansas, University of	13	22
Kansas State University	3	1
Kansas City, University of	1	
Kent State University		1
Kentucky, University of	1	6
Kenyon College	7	5
Keuka College	1	
Knox College	6	7
Lafayette College		1
Lake Forest College	1	
Lambuth College	1	
LaSalle College	4	1
LaVerne College	1	
Lawrence College	4	3
Lebanon Valley College		1
Lehigh University	7	9
LeMoyne College (New York)		1
Lenoir-Rhyne College	1	
Lewis & Clark College	2	1
Lindenwood College	1	
Linfield College	2	
Little Rock University		1
Lock Haven State College		1
Loras College	3	
Loretto Heights College		1
Louisiana State University	6	7
Louisiana Polytechnic Institute		2
Louisville, University of	3	6
Loyola University (Chicago)		1
Loyola University (New Orleans)	4	5

See footnotes at end of table, p. 167.

TABLE 5.—*Colleges from which scholars have been graduated and college enrollment of scholars, 1963–64* [1]—Continued

	Graduated	In college
Loyola University (Los Angeles)	2	1
Luther College	4	1
Lutheran Concordia College		1
Macalester College	19	89
Madison College	1	
Maine, University of	3	
Manchester College		1
Manhattan College		4
Manhattanville College of the Sacred Heart	3	2
Mankato State College	2	1
Mansfield State College		1
Marietta College	2	
Marquette University	10	12
Mars Hill College		1
Marshall University	1	1
Mary Baldwin College	1	1
Marygrove College		5
Maryland, University of	1	4
Massachusetts, University of	2	
Massachusetts Institute of Technology	160	219
McMurry College		1
Memphis State University	1	1
Mercer University	1	2
Miami University	3	3
Michigan, University of	59	69
Michigan State University*	5	227
Michigan College of Mining	4	2
Sault Ste. Marie Branch		1
Middlebury College	6	4
Midland Lutheran College		1
Millersville State College		1
Milligan College		1
Mills College		1
Millsaps College	2	1
Minnesota, University of	12	26
Duluth Campus	1	1
Misericordia, College	1	
Mississippi, University of	4	4
Mississippi College	1	1
Mississippi Southern College	1	
Mississippi State University	1	1
Mississippi State College for Women		2
Missouri, University of	4	8
Missouri School of Mines	2	4
Monmouth College	2	
Montana State University	3	1
Montana State College	3	1
Montclair State College		1
Moravian College	1	
Mount Holyoke College	16	13
Mount St. Mary's College	1	
Mount St. Scholastica College	1	
Mount St. Vincent, College of	1	
Muhlenberg College	1	
Muskingum College	3	1
Nazareth College		1
Nebraska, University of	10	8
Nebraska Wesleyan University	1	
New Hampshire, University of	1	2
New Haven College	1	
New Mexico, University of	4	3
New Mexico State University		1
New Rochelle, College of	1	3
New York University	2	5
New York, City University of	1	
New York, State University of:		
Albany		1
New Paltz		1
Oswego		1
Newark College of Engineering	1	3
Newton College of the Sacred Heart		2
North Carolina, University of	23	17
North Carolina State College	9	
North Carolina, Woman's College of	3	[illegible]
North Central College	1	1
North Dakota, University of	5	2
North Dakota State University	1	3
North Georgia College		2
North Park College	1	
North Texas State University	3	3

See footnotes at end of table, p. 167.

TABLE 5.—*Colleges from which scholars have been graduated and college enrollment of scholars, 1963–64* [1]—Continued

	Graduated	In college
Northeastern University	----------	2
Northern Illinois University	----------	1
Northern State Teachers College	----------	1
Northwest Nazarene College	1	----------
Northwestern University	34	51
Norwich University	----------	1
Notre Dame, College of (California)	----------	1
Notre Dame, University of	40	33
Oakland University	----------	2
Oberlin College	54	45
Occidental College*	4	12
Ohio State University	10	16
Ohio University	3	3
Ohio Wesleyan University	8	4
Oklahoma, University of	11	14
Oklahoma Baptist University	1	----------
Oklahoma State University	3	12
Olivet Nazarene College	----------	1
Oregon, University of	2	6
Oregon State University	3	9
Ottawa University	----------	1
Otterbein College	----------	1
Ouachita Baptist College	2	1
Our Lady of the Lake College	----------	1
Pacific, University of the	1	1
Panhandle A. & M. College	1	----------
Pennsylvania, University of	17	15
Pennsylvania State University	6	8
Pensacola Junior College	----------	1
Pepperdine College	----------	1
Pfeiffer College	1	----------
Phillips University	3	----------
Pittsburgh, University of	7	2
Polytechnic Institute of Brooklyn	----------	2
Pomona College	19	27
Portland, University of	----------	1
Presbyterian College	1	----------
Princeton University	70	127
Principia, the	3	4
Providence College	1	1
Puget Sound, University of	1	----------
Purdue University	22	50
Indianapolis Campus	----------	1
Queens College (North Carolina)	1	----------
Radcliffe College	82	111
Randolph-Macon Woman's College	3	1
Redlands, University of	5	3
Reed College	15	19
Regis College (Colorado)	2	----------
Regis College (Massachusetts)	----------	1
Rensselaer Polytechnic Institute	19	16
Rhode Island, University of	----------	1
Rice University	51	130
Ripon College*	1	5
Rochester, University of	8	14
Rochester Institute of Technology	----------	1
Rockhurst College	2	----------
Rollins College	1	----------
Roosevelt University	1	----------
Rosary College*	2	4
Rose Polytechnic Institute	1	6
Rosemont College	1	2
Rutgers, the State University	1	4
Camden Branch	----------	1
Newark Branch	1	----------
Douglass College	1	2
St. Benedict, College of	1	----------
St Benedict's College	2	----------
St. Catherine, College of	1	1
St. Cloud State College	----------	1
St. Elizabeth, College of	1	----------
St. John's College	3	2
St. John's University (Minnesota)	2	1
St. John's University (New York)	----------	1
St. Joseph's College (Pennsylvania)	1	----------
St. Lawrence University	1	----------
St. Louis University	12	9
St. Mary's College (Indiana)	4	2
St. Mary's College (Minnesota)	1	----------
St. Mary's College of California	1	----------
St. Mary's Seminary & University	1	----------

See footnotes at end of table, p. 167.

TABLE 5.—*Colleges from which scholars have been graduated and college enrollment of scholars, 1963–64* [1]—Continued

	Graduated	In college
St. Mary's University	----------	2
St. Norbert College	----------	2
St. Olaf College	6	10
St. Patrick's Seminary	1	----------
St. Procopius College	1	----------
St. Thomas, College of	1	4
St. Thomas, University of	1	----------
St. Vincent College	----------	1
Salem College	1	----------
San Diego State College	2	5
San Francisco, University of	4	3
San Francisco State College	----------	3
San Jose State College	2	1
Santa Clara, University of	3	5
Sarah Lawrence College	2	2
Scranton, University of	----------	1
Scripps College	1	----------
Seattle University	2	4
Seattle Pacific College	2	3
Seton Hall University	----------	1
Seton Hill College	----------	1
Shelton College	----------	1
Shimer College	----------	2
Simmons College	----------	1
Simpson College	----------	1
Sioux Falls College	1	----------
Skidmore College	1	1
Smith College	12	22
South, Univeristy of the	4	2
South Carolina, University of	5	----------
South Dakota, State University of	1	1
South Dakota State College	----------	1
South Dakota School of Mines	2	----------
South Florida, University of	----------	1
Southern California, University of	2	6
Southern Methodist University	5	3
Southern Mississippi, University of	----------	1
Southern Missionary College	1	----------
Southwestern College (Kansas)	1	----------
Southwestern University	1	2
Southwestern at Memphis	3	3
Spring Hill College	1	1
Stanford University	77	143
Stephen F. Austin State College	1	----------
Stetson University	----------	3
Stevens Institute of Technology	2	2
Swarthmore College	58	75
Sweet Briar College	1	4
Syracuse University	----------	4
Tennessee, University of	6	5
Tennessee Polytechnic Institute	----------	1
Texas, University of	15	40
Texas Christian University*	5	5
Texas College of Arts & Industries	1	----------
Texas, A. & M. College of	----------	6
Texas Technological College	2	2
Texas Wesleyan College	----------	1
Thiel College	1	2
Tift College	----------	1
Trinity College (Connecticut)	----------	4
Trinity College (District of Columbia)	2	1
Trinity University	2	4
Tufts University	2	1
Jackson College	3	2
Tulane University	9	10
Newcomb College	6	5
Tulsa, University of	5	1
Union College	1	1
Upsala College	----------	1
Ursinus College	----------	2
Ursuline College	----------	1
Utah, University of	4	2
Utah State University	1	----------
Valparaiso University	4	7
Vanderbilt University	21	15
Vassar College	4	8
Vermont, University of	1	2
Villanova University	2	----------
Vincennes University	----------	2
Virginia, University of	7	4

See footnotes at end of table, p. 167.

TABLE 5.—*Colleges from which scholars have been graduated and college enrollment of scholars, 1963–64* [1]—Continued

	Graduated	In college
Virginia Polytechnic Institute	2	3
Virginia State College		1
Wabash College	6	7
Wake Forest College	2	5
Wartburg College	5	
Washington University	9	10
Washington, University of	8	14
Washington State University		2
Washington & Jefferson College	1	1
Washington & Lee University	6	2
Wayland Baptist College		1
Wayne State University	3	8
Webster College	1	
Wellesley College	29	28
Wesleyan University	21	29
West Virginia University	5	9
West Virginia Wesleyan College	1	
Western College for Women	1	
Western Michigan University	3	3
Western Reserve University	4	6
Westmar College		1
Westminster College (Missouri)	1	1
Westminster College (Pennsylvania)		2
Wheaton College (Illinois)	12	4
Wheeling College	1	1
Whitman College	4	4
Whittier College		1
Whitworth College		2
Wichita, University of	1	
Willamette University	3	
William & Mary, College of	3	5
Richmond Professional Institute		1
William Smith College	1	1
Williams College	19	19
Wilson College	1	4
Winthrop College		1
Wisconsin, University of	26	31
Milwaukee Campus	1	2
Wisconsin State College (LaCrosse)		1
Wisconsin State College (Superior)		1
Wittenberg University	2	3
Wofford College	1	
Wooster, College of	11	11
Worcester Polytechnic Institute		4
Wyoming, University of	3	1
Xavier University	2	2
Yale University	69	129
Yeshiva University	2	1
Young Harris College		1
Total	2,705	4,118

[1] Colleges indicated by an asterisk are themselves sponsors of merit scholarships. These colleges, and the number of merit scholarships they awarded in 1963, are listed with other sponsors in table 9.

	Private	Tax supported	Total
Number of institutions:			
Graduates and scholars in college	368	162	530
Scholars in college	284	141	425
Number of graduates	2,142	563	[1] 2,705
Number of scholars in college	3,023	1,095	4,118

[1] Includes 36 scholars appointed in 1960 and 2 in 1961 who were graduated in less than 4 years.

TABLE 6.—*Distribution of stipends of 1963 scholars*

Stipend	Number of scholars	Stipend	Number of scholars
$2,400	1	$800	21
$2,000	7	$750	24
$1,800	1	$700	34
$1,700	2	$650	19
$1,650	2	$600	21
$1,600	1	$550	19
$1,500	383	$500	17
$1,450	23	$450	24
$1,400	34	$400	19
$1,350	28	$350	17
$1,300	21	$300	11
$1,250	23	$250	215
$1,200	29	$200	14
$1,150	27	$150	6
$1,100	31	$100	324
$1,050	27	$0	[1] 12
$1,000	19		
$950	25	Total	1, 528
$900	24	Average stipend	$796
$850	23		

[1] Scholarships being held for students planning to enter college in 1964.

TABLE 7.—*Summary of college majors of 1963 scholars and semifinalists*

	Number of scholars			Number of semifinalists		
	Boys	Girls	Total	Boys	Girls	Total
Engineering:						
Aeronautical	12	1	13	127	4	131
Ceramic	0	0	0	1	1	2
Chemical	43	2	45	203	11	214
Civil	9	0	9	82	2	84
Electrical	65	1	66	458	7	465
Industrial	4	0	4	14	1	15
Mechanical	37	0	37	168	2	170
Metallurgical	3	0	3	7	0	7
Mining	0	0	0	8	0	8
Unspecified	31	1	32	244	1	245
Physical and natural sciences:						
Astronomy	5	2	7	21	4	25
Biochemistry, biophysics	18	16	34	97	60	157
Biology	28	18	46	199	209	408
Chemistry	80	18	98	538	188	726
Geology	1	0	1	13	4	17
Mathematics	169	72	241	1,058	551	1,609
Meteorology	0	0	0	3	0	3
Physics	151	11	162	807	78	885
Unspecified	19	10	29	134	69	203
Health sciences:						
Premedicine	47	20	67	459	149	608
Predentistry	1	1	2	18	3	21
Medical technology	0	5	5	0	32	32
Nursing	0	4	4	0	52	52
Occupational therapy	0	0	0	0	2	2
Physical therapy	0	2	2	0	8	8
Veterinary science	3	1	4	9	9	18
Pharmacy	3	0	3	7	4	11
Preoptometry	0	0	0	0	0	0
Humanities and social sciences:						
Art, archaeology	6	4	10	21	45	66
Education	2	14	16	20	131	151
English	40	60	100	275	403	678
History	31	15	46	218	120	338
Languages	8	48	56	84	294	378
Music	8	9	17	50	63	113
Philosophy, religion	17	3	20	117	28	145
Psychology	5	21	26	87	146	233
Social sciences	80	28	108	669	258	927
Unspecified	11	2	13	114	47	161
Miscellaneous:						
Agriculture	1	0	1	10	1	11
Architecture	12	1	13	83	18	101
Business	16	3	19	107	16	123
Forestry	5	0	5	14	0	14
Home economics	0	9	9	1	30	31
Journalism	3	6	9	35	49	84
Library sciences	0	0	0	0	1	1
Physical education	0	0	0	2	3	5
Speech, drama	0	5	5	16	18	34
Undecided	93	48	141	884	524	1,408
Total	1,067	461	1,528	7,482	3,646	11,128

TABLE 8.—*Summary of career choices of 1963 scholars and semifinalists*

	Number of scholars			Number of semifinalists		
	Boys	Girls	Total	Boys	Girls	Total
Scientific research	290	69	359	1,733	540	2,273
Teaching	176	162	338	909	1,148	2,057
Engineering	196	3	199	1,250	30	1,280
Medical sciences	80	43	123	735	365	1,100
Law	61	8	69	562	51	613
Government service	24	23	47	168	201	369
Writing, journalism	14	26	40	127	140	267
Business	22	7	29	182	40	222
Psychology	2	13	15	45	95	140
Social work	2	5	7	9	64	73
Architecture	14	1	15	92	19	111
Interpreting	0	7	7	8	47	55
Ministry	15	3	18	104	9	113
Art (design, decorating)	1	5	6	5	32	37
Theater, radio, television	1	3	4	13	14	27
Library work	0	2	2	1	24	25
Music	1	1	2	1	13	14
Farming	1	0	1	10	1	11
Military	2	0	2	33	1	34
Miscellaneous	5	2	7	14	13	27
Undecided	160	78	238	1,481	799	2,280
Total	1,067	461	1,528	7,482	3,646	11,128

TABLE 9.—*Sponsors and number of merit scholarships in 1962–63*

	Number of merit scholarships
ACF Foundation, Inc	4
Addressograph-Multigraph Corp	2
Aero Club of Washington	1
Allied Stores Foundation, Inc	1
The Allstate Foundation	8
The Alpha Delta Phi Foundation, Inc	1
American Bank Note Co	2
American Brake Shoe Foundation, Inc	1
American Federation of Labor and Congress of Industrial Organizations	6
American Institute of Certified Public Accountants	1
AMF Foundation [1] (American Machine & Foundry Co.)	4
American Potash & Chemical Corp	2
The American Tobacco Corp.[1]	1
The American Water Works Foundation	4
AMETEK Foundation	2
Anheuser-Busch Charitable Trust	1
Archer-Daniels-Midland Foundation	1
Arkansas Opportunity Fund	10
Association of Iron & Steel Engineers	5
Atlas Chemical Industries, Inc	2
Automatic Canteen Co. of America	1
Joseph W. and Elsie E. Beck Foundation	1
Bennington College	4
The Boeing Co	4
Borg-Warner Foundation, Inc	4
Bowdoin College	7
Bricklayers, Masons & Plasterers International Union of America	1
The Browning Foundation, Inc	1
Burroughs Wellcome & Co. (U.S.A.) Inc	3
John Bulow Campbell Foundation	11
The Carpenter Steel Foundation [1]	3
Celanese Corp. of America [1]	5
Central & South West Corp	2
Central Soya Co., Inc	1
The Chase Manhattan Bank Foundation	3
Chicago Title & Trust Co. Foundation	3

See footnotes at end of table, p. 173.

TABLE 9.—*Sponsors and number of merit scholarships in 1962–63*—Continued

	Number of merit scholarships
Chrysler Corp. Fund [1]	16
The C.I.T. Foundation, Inc. (C.I.T. Financial Corp.)	6
Claremont Men's College	2
Columbian Carbon Co	2
Consolidated's Civic Foundation, Inc. (Consolidated Papers, Inc.)	3
Concora Foundation (Container Corp. of America)	1
Continental Illinois National Bank & Trust Co. of Chicago	1
CCA Foundation, Inc. (Controls Co. of America)	1
Cutler-Hammer Foundation	2
Delaware Power & Light Co	1
DeLuxe Check Printers Foundation, Inc	1
The Detroit Edison Co	1
Diamond Alkali Co	3
The A. B. Dick Foundation	1
The Reuben H. Donnelly Corp	1
The Dow Chemical Co	1
Dow Corning Corp	1
The Camille & Henry Dreyfus Foundation, Inc	4
Eaton Manufacturing Co	3
Everest & Jennings, Inc	1
The FMC Foundation	4
Federal-Mogul-Bower Bearings, Inc	4
Field Enterprises Educational Corp	20
First Marine Division Association, Inc	1
Frost National Bank of San Antonio, Tex., trustee under the will of Rocco C. Caffarelli	15
Frost National Bank of San Antonio, Tex., trustee under the will of Myra Stafford Pryor	1
Gamble-Skogmo, Inc	1
General Dynamics Corp	7
The General Foods Fund, Inc	6
The General Tire Foundation	4
The Gillette Co	2
The Glidden Co	4
The B. F. Goodrich Fund, Inc	10
Grainger Charitable Trust	1
The Griesinger Foundation	1
Gulf Oil Corp	10
Harvey Mudd College	2
Hercules Powder Co, Inc	6
Ideal Cement Co	3
Inland Container Corp. Foundation, Inc	4
Inland Steel—Ryerson Foundation, Inc	4
International Business Machines Corp.[1]	47
The International Nickel Co., Inc	2
International Union of Operating Engineers	2
The Jocky Hollow Foundation, Inc	2
Johnson Motor Lines, Inc	1
Kimberly-Clark Foundation, Inc	2
Koppers Co., Inc	2
Latrobe Steel Co	1
Lehigh Portland Cement Co	4
Ling-Temco-Vought, Inc	4
Thomas J. Lipton Foundation, Inc	1
The Paul W. Litchfield Foundation	1
The P. Lorillard Co. Foundation	2
The Lubrizol Foundation	4
The R. C. Mahon Foundation	1
Moses M. and Marion Marcuse Fund [1]	3
Maryland State and District of Columbia AFL–CIO	1
McGraw-Hill Publishing Co., Inc	6
The Mead Corp. Foundation	3
Edwin T. Meredith Foundation	6

See footnotes at end of table, p. 173.

TABLE 9.—*Sponsors and number of merit scholarships in 1962–63*—Continued

	Number of merit scholarships
Michigan State University	149
Minnesota Mining & Manufacturing Co [1]	6
National Biscuit Co. Foundation	4
National Distillers & Chemical Foundation, Inc	22
National Distillers Distributors Foundation [1]	1
New England Mutual Life Insurance Co	2
New Jersey Manufacturers Casualty Insurance Co	1
The 1907 Foundation, Inc. (United Parcel Service)	5
Northern Illinois Gas Co	2
Northrop Corp	2
Jessie Smith Noyes Foundation, Inc	1
Occidental College	2
Ohio Brass Foundation	2
Ohmite Manufacturing Co	1
Olin Mathieson Chemical Corp	11
The Elis Olsson, Cheseapeake Foundation [1]	1
Outboard Marine Corp	2
Owens, Corning Fiberglas Corp	4
The Pet Milk Foundation	1
Chas. Pfizer & Co., Inc.[1]	1
Phelps Dodge Foundation	3
Philadelphia Electric Co	2
The Pittsburgh Plate Glass Foundation [1]	19
Portland General Electric Co	1
The President's Fund [2]	4
Public Service Electric & Gas Co	3
The Quaker Oats Foundation	2
Radio Corporation of America	15
Raytheon Co	1
The Reader's Digest Association, Inc	34
R. J. Reynolds Tobacco Co.[1]	12
Ripon College	4
Rohm & Haas co	5
Rosary College	2
Rotary Educational Foundation of Atlanta, Inc	1
Ryan Aeronautical Foundation	1
Santa Fe Foundation, Inc.[1]	5
The Sears, Roebuck Foundation	27
Shell Cos. Foundation, Inc	25
David T. Siegel Foundation	1
Signode Foundation, Inc	2
Sinclair Oil Corp	4
The Singer Co. Foundation	11
The Venette & Mabel Sites Foundation	3
A. O. Smith Foundation, Inc	1
Spiegel, Inc	2
Standard Oil Foundation, Inc	23
State Farm Foundation (State Farm Insurance Co.)	7
Edgar Stern Family Fund	5
Stewart-Warner Foundation	1
Stone & Webster, Inc	3
Stop & Shop, Inc	2
Stranahan Foundation (Champion Spark Plug Co.)	3
Sun Oil Co	8
Swift & Co. Foundation	10
Tennessee River Pulp & Paper Co	2
Texas Christian University	3
Texins Association	2
Textron, Inc	4
Thorncroft Fund, Inc	1
Time, Inc	7
Time-Life Broadcast, Inc	1
Titmus Optical Co., Inc	1

See footnotes at end of table, p. 173.

TABLE 9.—*Sponsors and number of merit scholarships in 1962–63*—Continued

	Number of merit scholarships
Travelers Men's Club and Travelers Girls' Club of the Travelers Insurance Co	1
Union Oil Co. of California Foundation	2
Union Tank Car Co	1
United Carbon Co	1
United-Greenfield Foundation	2
U.S. Air Force Central Welfare Fund	30
Universal Match Foundation, Inc	1
The Upjohn Co	19
Utility Workers Union of America	2
Van Raalte Co., Inc	1
Vanity Fair Mills, Inc	2
Warner-Lambert Pharmaceutical Co.[1]	1
The Webtex Co	1
Western Electric Co., Inc	10
The Western Publishing Co. Foundation	5
Weyerhaeuser Co. Foundation	1
The Benjamin & Fredora K. Wolf Memorial Foundation	2
F. W. Woolworth Co	5
Youth Service Fund, Inc	1
Merit scholarships awarded by 179 sponsors	951
Merit scholarships awarded by NMSC	577
Total	1, 528

[1] Indicates sponsors who also awarded special scholarships. See table 10 and discussion on pp. 15–16.
[2] The president's fund is discussed on the following page.

TABLE 10.—*Sponsors and number of special scholarships in 1962–63* [1]

Acushnet Foundation	1
AMF Foundation (American Machine & Foundry Co)	1
The American Tobacco Co	2
H. L. Bache Foundation (Bache & Co.)	3
The Carpenter Steel Foundation	2
Celanese Corp. of America	7
Chrysler Corp. Fund	19
The Falstaff Foundation	2
International Business Machines Corp	4
The International Silver Co	2
Kerr-McGee Oil Industries, Inc	2
Charles F. Kettering Foundation	1
Lane Bryant, Inc	1
Moses M. & Marion Marcuse Fund	2
Mellon National Bank & Trust Co	5
Minnesota Mining & Manufacturing Co	4
National Distillers Distributors Foundation	5
National Starch & Chemical Corp	2
The Elis Olsson-Chesapeake Foundation	1
The Pacific Lumber Co	2
Chas. Pfizer & Co., Inc	3
The Pittsburgh Plate Glass Foundation	8
R. J. Reynolds Tobacco Co	8
The Riegel Paper Corp. Foundation, Inc	2
The Riegel Textile Corp. Foundation	3
Santa Fe Foundation, Inc	4
Aaron Straus & Lillie Straus Foundation, Inc	1
Henry R. Towne Trust (the Yale & Towne Manufacturing Co.)	3
Wallace & Tiernan Inc	1
Warner-Lambert Pharmaceutical Co	3
The Weatherhead Co	2
The Charles Weinstein Foundation	10
Wood Conversion Foundation	2
Special scholarships awarded by 33 sponsors	118

[1] See pp. 15–16 for a description of sponsored special scholarships.

TABLE 11.—*Occupations of fathers as reported by 1963 scholars* [1]

	Number of scholars
Accountant	36
Advertiser	11
Agency director	1
Air traffic control specialist	3
Airline pilot	1
Airways communicator	2
Architect	4
Armed services	60
Artist	2
Attorney	47
Auditor	3
Banker	13
Barber	3
Bartender	1
Beautician	1
Blacksmith	1
Boilermaker	1
Bookkeeper	1
Busdriver	1
Business executive	58
Butcher	1
Buyer	8
Carpenter	3
Cemetery caretaker	1
Chemist	32
Clergyman	24
Clerk	17
Construction estimator	1
Consulting engineer	6
Contractor	11
Controller	6
Customer engineer	4
Deliveryman	3
Dental technician	1
Dentist	6
Designer	5
Dispatcher operator	4
Draftsman	9
Economist	7
Editor:	
Copy	1
Newspaper	1
Magazine	3
Electrician	13
Electrotyper	1
Elevator operator	1
Engineer	142
Factory worker	24
Farmer	34
Financial analyst	12
Fireman	4
Fisherman	1
Florist	2
Food technician	1
Foreman	21
Furrier	1
Geologist	3
Golf course employee	1
Government employee:	
Federal	18
Local	5
State	5
Horticulturist	1

See footnotes at end of table, p. 176.

TABLE 11.—*Occupations of fathers as reported by 1963 scholars* [1]—Continued

	Number of scholars
Interior designer	1
Insurance agent	34
Insurance claims adjuster	6
Insurance underwirter	4
Janitor	3
Jeweler	1
Journalist	3
Judge of circuit court	2
Laboratory technician	3
Laborer	9
Liaison engineer	1
Librarian	3
Lithographer	2
Logger	1
Machinist	8
Maintenance man	5
Management consultant	4
Manager:	
Credit	2
Department	41
General	6
Marketing	4
Office	12
Sales	35
Store	9
Traffic	1
Marine locksmith	1
Mechanic	10
Messenger	1
Metal inspector	1
Meteorologist	5
Methods and process analyst	1
Metallurgist	5
Millwright	2
Millwork estimator	1
Motion picture editor	1
Musician	2
Oilman	2
Operating engineer	1
Opthalmologist	1
Optometrist	4
Painter	3
Pattern maker	2
Personnel worker	6
Pharmacist	3
Photographer	1
Physician	32
Physicist	4
Pipefitter	11
Plant engineer	11
Plant pathologist	1
Plumber	5
Policeman	3
Postal clerk	9
Postman	8
Postmaster	4
Printer	4
Product engineer	5
Production worker	2
Proprietor	30
Psychologist	1
Public relations director	1

See footnotes at end of table, p. 176.

Table 11.—*Occupations of fathers as reported by 1963 scholars* [1]—Continued

	Number of scholars
Publisher	1
Purchasing agent	5
Quality control technician	3
Radio broadcaster	1
Railroad agent	4
Railroad switchman	2
Rancher	1
Realtor	13
Repairman	9
Sales inventory analyst	1
Salesman:	
Manufacturer's	14
Retailer's	34
Wholesaler's	39
Sanitary engineer	1
Scaleman	1
Schedule administrator	1
School administrator	24
School maintenance man	5
Scientific researcher	20
Service station attendant	6
Sheet metal worker	1
Social worker	3
Standards engineer	2
Statistician	1
Steel loader	1
Stock broker	6
Superintendent	9
Supervisor	24
Teacher:	
Unspecified	7
Elementary	1
Junior high school	5
High school	14
College	60
Technician	2
Tool and die maker	7
Truckdriver	5
Tug boat captain	1
Veterinarian	4
Warehouseman	2
Watchmaker	1
Weaver	1
Welder	2
Writer	7
Yardman	1
Deceased	46
Retired	24
Unemployed	16
Occupation unknown	12
Total	1, 528

[1] It is emphasized that occupations are listed here according to the student's description. Consequently certain designations are overlapping. The general classification of manual laborer, for example, appears here not only as laborer, but also as factory worker and the like.

Statement of expenses for the year ended June 30, 1963

Administrative fund:	
Compensation and employee benefits	$215, 530
General office expenses	60, 172
Contractual and professional services	28, 268
Rent and electricity	22, 048
Directors' and staff travel expense	15, 489
Advisory council and selection committee expenses	10, 720
Furniture and equipment, maintenance, repairs, and insurance expense (note 2)	7, 101
Total expenses	359, 328
Studies and research fund:	
Compensation and employee benefits	$72, 895
Contracted and professional services	37, 901
General office expenses	16, 874
Rent and electricity	6, 778
Staff travel and research advisory board expense	1, 792
Furniture and equipment, maintenance and repairs (note 2)	1, 273
Total expenses	137, 513

The accompanying notes to financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

(1) These statements were prepared on the cash receipts and disbursements basis of accounting.

(2) The corporation has followed the practice of charging to expense all purchases of office furniture and equipment.

(3) The Ford Foundation has pledged an additional $12,500,000.

(4) Obligations for future payments to the scholars presently in college and to the colleges attended are estimated to be $5,400,000; in addition there is an estimated obligation for payments to scholars appointed in the spring of 1963 and beginning college in the fall of 1963, and to the colleges attended, of $6,200,000. These payments will be made over the period the scholars are in college from funds now on hand and from additional scheduled payments by sponsors.

ARTHUR ANDERSEN & CO.,
Chicago, Ill., July 31, 1963.

To the Board of Directors,
National Merit Scholarship Corp., Evanston, Ill.:

We have examined the balance sheet of National Merit Scholarship Corp. (an Illinois corporation not for profit) as of June 30, 1963, and the related statement of administrative expenses, and studies and research fund expenses for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statement of administrative expenses and studies and research fund expenses present fairly the financial position of National Merit Scholarship Corp. as of June 30, 1963, and the results of its operations for the year then ended on the cash receipts and disbursements basis of accounting applied on a basis consistent with that of the preceding year.

ARTHUR ANDERSEN & CO.

Balance sheet, June 30, 1963

Assets:	
Cash	$79, 299
Receivables, prepaid expenses, etc	5, 062
Investments, at cost (market value $15,175,905):	
U.S. Government obligations	11, 160, 364
Other bonds, notes, and time certificates of deposits	3, 997, 127
Subtotal	15, 157, 491
Total	15, 241, 852

Balance sheet, June 30, 1963—Continued

Less liabilities for payroll taxes and annuities	($6,767)
Net assets	15,235,085
Fund balances:	
Administrative fund:	
Balance at beginning of year	2,324,447
Receipts from:	
Investment income	538,217
Fee income	13,568
Subtotal	551,785
Less expenses incurred	(359,328)
Balance at end of year	2,516,904
Scholarship fund:	
Balance at beginning of year	7,662,815
Receipts from:	
Transfer from reserve fund	1,900,000
Donor scholarship contributions (net of refunds)	1,636,534
Subtotal	3,536,534
Less:	
Payments to scholars (note 4)	2,783,144
Payments to colleges	448,606
Subtotal	(3,231,750)
Balance at end of year	7,967,599
Special scholarship fund:	
Balance at beginning of year	375
Receipts from donor scholarship contributions	237,320
Less—payments to scholars and colleges	(209,770)
Balance at end of year	27,925
Studies and research fund:	
Balance at beginning of year	74,950
Receipts from—	
Transfer from reserve fund	60,000
National Science Foundation	25,000
Carnegie Corporation of New York	50,000
Contributions from scholarship sponsors	220
Subtotal	135,220
Less—expenses incurred	(137,513)
Balance at end of year	72,657
Reserve fund:	
Balance at beginning of year	5,610,000
Received from the Ford Foundation (note 3)	1,000,000
Less—	
Transfer to scholarship fund	1,900,000
Transfer to studies and research fund	60,000
Subtotal	(1,960,000)
Balance at end of year	4,650,000
Total fund balances	15,235,085

The accompanying notes to financial statements are an integral part of this statement.

ADVISORY COUNCIL

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Earl H. Hanson, superintendent, Rock Island Public Schools, Rock Island, Ill.
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SELECTION COMMITTEE MERIT SCHOLARS OF 1963

John G. Auger, college counselor, East High School, Denver, Colo.
Clarence C. Dunsmoor, director, board of cooperative educational services, Bedford Hills, N.Y.
Charles Gavin, director of admissions, Carleton College
James B. Giles, director of admissions, Rice University
Rollin E. Godfrey, director of admissions, University of South Carolina
Mrs. Ouida Hightower, counselor, Shades Valley High School, Birmingham, Ala.
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Brother Brendan Joseph, F.D.C., director of admissions and financial aid, Manhattan Colege.
Helen M. McGann, director of admissions, Barnard College.
Robert J. Morwine, director of admissions, Wesleyan University
Charles D. O'Connell, director of admissions, University of Chicago
Rixford K. Snyder, director of admissions, Stanford University
Emery R. Walker, Jr., dean of admission, Claremont Men's College and Harvey Mudd College
Richard W. Willard, office of admissions, Massachusetts Institute of Technology

Senator MORSE. Now, I want the attention of counsel for a moment. I want to have at the next heariug of this subcommittee, testimony from public witnesses. It should be called for at the first possible date which you can work out in your time schedule.

I know what the problems are in view of the very complicated time situation that confronts us in the Senate. But someway, somehow, I would like to get this under the wire before the barricade drops on us so that we can complete the hearings. If we can get the hearings completed, nothing stops us from having at least informal meetings as members of the subcommittee to reach a meeting of the minds as to what we will recommend once the barricade lifts.

I should like to have this done in the next few days so I can close these hearings and we can start our first informal conversations during the period of time that the subcommittee cannot meet officially under the rules of the Senate. Then the first time that we have that we can meet officially, I want the staff to arrange for a markup session on the legislation.

Senator YARBOROUGH. Just a minute, Mr. Chairman. I have a comment.

I wanted to comment about the chairman's expression of the hope that something will be done about primary and elementary education as an absolute necessity.

I think Mr. Keppel has a sentence in here which was not read in the press of time in condensing his statement. I would like to read it:

> We have yet to meet the growing problems of overcrowded classrooms, poorly paid teachers, outmoded curriculums, unimaginative teaching, and the cultural poverty which defeats our best efforts at making elementary and secondary education a quality experience for all our children.

As I read that, I thought of my own experience as a student both in primary and secondary schools and college. I think some of the most imaginative teaching that I have ever encountered in my life was in high school. I think some of the most stimulating teachers that I have ever seen were in high school. I see now they were better paid and attracted more people. I think in college, I was rather disappointed in most teachers. They sat back with dry lectures, without the stimulation that many—not all—but many of the high school teachers gave. I think if we could get imaginative teaching through all of the school systems, this quality of experience for the children would do great things for the whole of the American people.

Mr. KEPPEL. Mr. Chairman, may I say that I am deeply grateful to you and Senator Yarborough for making this point in the course of these hearings.

I think, sir, I shall not say for the first time, but at any rate more firmly than before, we now have a firmer voice in education—elementary, secondary, higher, graduate—which says that for the sake of society, the problem of elementary and secondary schools simply have to be resolved. There is a voice in education that says "Yes, now." I want to thank you and Senator Yarborough for the points you have made.

Senator MORSE. I completely agree and I am glad you made that statement for the record. I shall now accept for the hearing record the fine statement presented to the subcommittee by the able and distinguished chairman of the Senate Committee on Foreign Relations, Senator Fulbright, of Arkansas. He has provided us in the past with most valuable testimony. I know his statement on this bill will be most helpful to us.

STATEMENT BY SENATOR J. W. FULBRIGHT ON STUDENT AID LEGISLATION

Senator FULBRIGHT. Mr. Chairman, I appreciate being given this opportunity to comment on the need for additional Federal aid for needy students.

Poverty and lack of education are handmaidens. Every analysis of the basic causes of social problems shows that, generally speaking, poor people are uneducated and the uneducated are poor. Children born into these circumstances have two strikes against them from birth. More than likely, they will grow up in poverty, get little education and inflict the resultant woes upon their children. Few will ever see the other side of a college door. Education is the only practical way to break this vicious cycle. Another quite different cycle operates for the more affluent elements of our society. It takes money to send children to college. Poor people do not have it and cannot get it. The result is that most college students come from middle- or high-income homes. These students will eventually work into the higher income brackets, have children, send them to college and the cycle begins anew. Youngsters from low-income families, on the other hand, have little hope of getting assistance for college expenses. Scholarships and jobs for needy students do not begin to meet the needs for this class. This generally means that most young people from low-income families have reached the end of the education line when they finish high school—regardless of their native ability.

There was a time when our Nation could afford this waste of talent. But the 20th century technology and modern society cannot afford such a luxury. The educational goal of providing a free high school education for all was a worthy objective many years ago. At the turn of the century, the achievement of this goal was considered utopian by many educators. The same inexorable forces that made it necessary for our educational goals to be shifted from the primary to the secondary level are working at an ever-increasing pace today. The availability of a college education for all qualified students is as important to achieving the ideals of our democracy now as it was to make available a free elementary school education to everyone at the turn of the centruy.

The Federal Government must concern itself with higher education to a much greater extent today, because the products of education are essential to success of our democratic form of government and to a capitalistic economy. We are becoming more and more aware of the fact that the returns from education benefit society as much as—if not more than—they benefit the individual. It has been estimated that 40 percent of the Nation's growth and productivity can be attributed to our admittedly inadequate investment in education. All facets of our economic, political, and social life depend on the constant flow and interchange of new ideas. Growth is not possible without the stimulation of ideas, and history time and again has proven the truth of the old adage that a society does not stand still—it either grows or declines.

Education is the great equalizer and unless we make it possible for all young people, regardless of race or creed, to develop their inherent ability to the fullest, the true ideals of democracy will never be achieved. Passage of the pending civil rights bill and every other conceivable plan for improving the lot of underprivileged Americans will not free socially deprived young people from their inherited bondage, if we do not open the door of educational opportunity for them. It is a sad commentary on our society that we make children pay for the mistakes and shortcomings of their parents. We can never implement the ideals in which we profess to believe as long as young people from poverty-afflicted homes are not given an equal chance at an education to prove themselves in competition with their more fortunate compatriots. Unless we begin to look on education as a national, rather than an individual, opportunity, the full potential of America's youth will never be put to work for the good of society.

In World War II, this Nation recognized the importance of having well-educated military leaders for our fighting forces. Thousands of young men and women were sent to college under various military programs. This philosophy was carried over in the World War II and Korean GI bills, under which nearly 3½ million attended college. In 1947–48, half of the Nation's college students were receiving Federal assistance through the GI program. There is little, if any, doubt about the success of this—the Federal Government's first large-scale program of student assistance. We still place heavy emphasis on training of military leaders in civilian schools through Federal assistance. In 1963, over 287,000 young college students were enrolled in the varous ROTC programs. The importance to the national welfare of this reservoir of future military leaders is unquestioned. If this concept of Federal aid is valid in training military leaders, why is it not as applicable in the training of future leaders for other segments of the economy?

Financial restrictions keep thousands of our brightest young people out of college each year. The Office of Education estimates that there is an unfilled need of $750 million annually in the field of student aid. Project Talent, a research program conducted by the Office of Education, developed statistics which indicate the disparity in college entrance rates between income groups. An examination of high school graduates in the top 25 percent of their class who did not enter college within 1 year after graduation showed that 14.7 percent of the boys and 18.1 percent of the girls came from families with incomes of $12,000 and over. In contrast, 43.9 percent of the boys and 64.9 percent of the girls from families with incomes from $3,000 to $6,000 did not go to college. Thirty-six and seven-tenths percent of the boys and 86.1 percent of the girls from families earning less than $3,000 did not enter college. There is clearly a serious waste of potential talent at the lower income levels.

A recent study of national merit scholarship competitors showed that 10 percent of the top 30 percent did not go on to college; the biggest factor was lack of money. When this rate is projected for the coming college year, it means that there will be a net loss to society of 120,000 otherwise qualified college students. Many other studies could be cited to emphasize the point. However, there are few who seriously challenge the need for more Federal aid for students. The question to be settled is what is the best way to take care of the problem.

Senator Hartke's bill is a forward-looking proposal. I support the objectives of the bill, although I wish to point out that I am not sufficiently familiar with the detailed provisions to commit my support for every comma and period in it. This committee will undoubtedly find areas for improvement, which is only natural in the case of any major legislative proposal.

However, I do want to mention my particular interest in the scholarship and work-study programs which would be authorized under the bill. The proposed scholarship program is tardy recognition that society, as well as the individual, benefits from educating its citizens and if the individual cannot afford to finance his education, the Government should help him. The Senate has on two occasions in recent years gone on record in favor of a Federal scholarship program. The 1958 National Defense Education Act provided for scholarships, although the more realistic program recommended by this committee was rejected by a small margin in the Senate. The 1962 Higher Education Act as passed by the Senate provided for Federal scholarships, but, unfortunately, the section was eliminated in the conference committee. I hope that this third attempt will be the time that wins so that we can at last enact a scholarship program that will help those who need help the most. In doing so, we will only be catching up with the most advanced nations of the world which have for many years been providing scholarship aid to bright students. I might also point out that the scholarship program will reach a group that would not have benefited to any meaningful extent from the recently defeated amendment to the tax bill providing for credits for educational expenses.

I am also pleased at the work-study program included in the bill. The purpose of the program is admirable and it should aid in attracting more young people into training for teaching and similar professions where on-the-job training is necessary.

It is my understanding that the cost of all the programs proposed for authorization under the Hartke bill would be $353.3 million in the first year, gradually increasing to a maximum of $650 million in 1968. The 905,000 students who would be aided in the first year on up to the 1,240,000 who would be assisted in 1968 would represent one of the best investments of the taxpayers' dollar this Congress has ever sanctioned. In this age of near $100 billion budgets, with $5.3 billion requested this year for the space programs and $3.3 billion slated for welfare grants, surely we can afford to make this modest investment in the next generation.

Education is not a panacea for all the evils of our society. We will still have crime, poverty, hunger and all of the other inhumanities man inflicts upon his fellow man if every person is educated to his full potential. But if we make it possible for every young person to go to college if he has the ability, we will have done much to eliminate the vicious poverty uneducated cycle, achieve true equality of opportunity, make the most profitable investment possible in the Nation's economic future and, above all, make democracy more meaningful.

I wish the committee well in its deliberations on this most important subject and I hope that the Senate will soon have an opportunity to vote on a progressive and far-reaching student-aid bill.

Senator MORSE. I wish to compliment and thank the Senator from Arkansas for his excellent statement. We stand in recess subject to the call of the Chair.

(Whereupon, at 11:45 a.m., the subcommittee recessed, subject to the call of the Chair.)

COLLEGE STUDENT AID LEGISLATION

TUESDAY, MARCH 10, 1964

U.S. Senate,
Subcommittee on Education of the
Committee on Labor and Public Welfare,
Washington, D.C.

The subcommittee met, pursuant to notice, at 9 a.m., in room 4232, New Senate Office Building, Senator Wayne Morse (chairman) presiding.

Present: Senators Morse (presiding) and Yarborough.

Also present: Honorable Vance Hartke, a United States Senator from the State of Indiana.

Committee staff members present: Stewart E. McClure, chief clerk; John S. Forsythe, general counsel; Michael J. Bernstein, minority counsel; and Charles Lee, professional staff member of the subcommittee.

Senator Morse. The hearing will come to order. We continue this morning with our public hearings on S. 2490 and title I of S. 580. We are privileged to start out with a panel this morning, consisting of Dr. Francis H. Horn, president of the University of Rhode Island; Dr. James F. Carr, Jr., director of financial aid of Florida State University; Dr. Carl Grip, dean of men, Temple University; Dr. John U. Monro, dean of Harvard College, Cambridge, Mass., and Dr. Rexford G. Moon, director, College Scholarship Service.

I must say to you gentlemen that the entire subcommittee is deeply appreciative of your taking time out to come here to give us the benefit of your expert testimony. Dr. Horn, will you bring your panelists to the table with you and will you proceed in your own way.

STATEMENTS OF FRANCIS H. HORN, PRESIDENT, UNIVERSITY OF RHODE ISLAND; JAMES F. CARR, JR., DIRECTOR OF FINANCIAL AID, FLORIDA STATE UNIVERSITY; CARL GRIP, DEAN OF MEN, TEMPLE UNIVERSITY; JOHN U. MONRO, DEAN, HARVARD COLLEGE; REXFORD G. MOON, DIRECTOR, COLLEGE SCHOLARSHIP SERVICE, NEW YORK

Dr. Horn. Thank you very much, Mr. Chairman. I am Francis H. Horn, president of the University of Rhode Island. I appear before you today to represent the American Council on Education of which my university is a member. As you know, the council's members are 1,100 institutions of higher education and 200 national organizations in education.

Last May this subcommittee received testimony from the American Council in support of S. 580 and related bills. The council urged legislation to assist with the construction of college classrooms, laboratories, and libraries; to increase the supply of college teachers; and to lower the financial barriers to higher education for qualified students.

Fortunately, and thanks to the hard work of the chairman and members of this subcommittee and of Representative Edith Green and her colleagues in the House, we now have a program of Federal assistance for construction of academic facilities and the NDEA fellowship and student loan programs have been enlarged in scope.

In its testimony last year, the council had inserted in the record of the Senate hearings (pp. 1043–1049) a statement entitled "Higher Education as a National Resource." In this statement, the council said:

> All evidence indicates that charges to students for tuition, fees, and room and board in both public and private institutions are continuing to rise sharply. This upward trend in costs has forced the student, his family, and the institution to plan more realistically the share of the cost that should be borne by grant assistance, loans, and student employment. But dangers lie ahead, since a study of trends also indicates that scholarships and institutional loan funds even when augmented by Federal loan funds available under the National Defense Education Act, are not keeping pace either with the increase in number of students or with the upward cost trend. Furthermore, while the loan program of the National Defense Education Act has helped many families in the middle-income brackets, qualified students from the very low income levels are finding it more and more difficult to finance a college education (p. 1047 of Senate hearings).

In making the above statements, the council was relying on information published in "Financial Aid to the Undergraduate: Issues and Implications," by Elmer D. West, formerly of the staff of the American Council on Education. Exerpts from Dr. West's book appear as exhibit VI beginning on page 3315 of the hearings on S. 580.

Again referring to the council's statement of policy, I quote further:

> With due regard to the priority needs for a Federal program of assistance for construction of academic facilities and for expansion of the National Defense Education Act fellowship program for training college teachers, a new Federal program of 4-year undergraduate scholarships should be provided to supplement the National Defense Education Act student loan program. This scholarship or grant assistance program should have as its primary objective the seeking out and assisting of students of academic promise and great financial need (p. 1047).

The Higher Education Facilities Act of 1963 and the National Defense Education Act amendments made in Public Law 88–210 are steps toward meeting the priority needs for classrooms and teachers. Now we must turn our attention to the needs of students, both those presently enrolled as well as those now coming up through the elementary and secondary schools who will someday seek to continue their formal education beyond the high school. We must take account of the hopes, the needs, and the expectations of thousands of our youth who will reach college age in this decade and the decade to come.

I should like to comment briefly on S. 2490, the proposed Higher Education Student Assistance Act of 1965 introduced by Senator Hartke. Without dwelling upon the specific details, I believe that the broad approach contained in the bill is eminently sound. Those who have been most active in devising ways by which needy young people may be afforded an opportunity for higher education have long recognized that there are three essential elements to be considered—namely, scholarships, jobs, and loans. No one of these is in itself an answer.

Total reliance on scholarships, while pleasant for the recipient, is an extremely and unnecessarily expensive approach unless funds are unlimited. Total reliance on jobs, especially in view of the increasing demands of the curriculum, diverts too much of a student's time and energy away from the sole reason for his being a student. Total reliance on loans has the unfortunate aspect of placing the largest burden of debt on our neediest young people.

In fact, since the expiration of the education provisions of the GI bill, the Federal Government's only assistance to undergraduate students has been through the device of loans. I believe it should be a matter of concern to all of us that we may be placing too heavy a burden on our young people and that all kinds of decisions such as choice of career, or whether to go on to graduate school, or whether to marry and begin raising a family may be unduly influenced by the immediate prospect of having to pay off a sizable debt. I should like to pay tribute to Senator Hartke, therefore, for recognizing that it is necessary to launch a three-pronged attack if the financial barriers to higher education are to be lowered.

This morning, at the request of the subcommittee, we have brought together a group of men who have expert working knowledge of various aspects of the student aid problem. Dr. Rexford G. Moon, director of the College Scholarship Service, will talk on the general problem of student financial aid; Dr. Carl Grip, dean of men at Temple University in Philadelphia, will discuss some of the problems that arise with student loan programs; Dr. John U. Monro, dean of Harvard College, will discuss grant assistance for students; and Dr. James F. Carr, Jr., director of financial aid at Florida State University, will talk about the problem of student aid in a public institution.

Some of the members of the panel have prepared statements which they will wish to insert in the hearing record, but it is my understanding that they will summarize briefly for the benefit of the subcommittee so as to allow more time for questioning. I appreciate this opportunity to appear before you, and with the permission of the chairman I will now ask Dr. Carr to lead off the panel discussion.

Senator Morse. Before he does so I want to say that I agree with everything said in your statement. Now, if I may interject a word—because of the work before the Senate in the next few weeks, I regret that I never know in advance how much time I will have available to complete the individual hearings. We do have time this morning for discussion, but my policy is going to be that I shall call in the experts, such as the distinguished educators on this panel, and permit their statements to be made with a minimum of questioning from the chairman. I have no intention of making a prolonged record from the bench.

I shall welcome statements from experts in this area and I shall give them all the time that they need. What I want to do is to obtain the statements, in order to close these hearings as soon as possible. It is my plan while the long debate in the Senate on civil rights is proceeding to find time in the evenings and at other convenient times to assemble my subcommittee informally in executive session so that just as soon as the civil rights matter is out of the way we can get this bill reported from subcommittee and be ready with our report to the full committee.

If you gentlemen, therefore, do not elicit many questions from the Chair this morning let me assure you it is not because of a lack of interest but rather because I just don't think it will be necessary.

Dr. HORN. I think the country is fortunate, Mr. Chairman, that someone who has had as long experience in higher education as you have is chairman of this subcommittee.

Senator MORSE. You are very kind. I will turn the meeting over to you. Dr. Horn, you gentlemen may proceed in your own way.

Dr. HORN. Dean Carr.

STATEMENT OF DR. JAMES P. CARR, JR., DIRECTOR OF FINANCIAL AID, UNIVERSITY OF RHODE ISLAND, KINGSTON, R.I.

Dean CARR. Mr. Chairman, I wish it were possible for each of you to sit in an office of financial aid for a day and observe students who are seeking our assistance. With the continued increase in the cost of attending college, the need for aid becomes greater each year. There are so many who need our help and so much that needs to be done, yet there is so little available.

At the very moment that the invitation arrived asking me to appear on this panel, I was in conference with a student who is in dire need of financial aid. He is 19 years old and in his sophomore year. His father is deceased and his mother's effective income is slightly above $2,000 a year. She can contribute little toward his college education. He is an A-minus student who will be able to save approximately $300 from his summer earnings towared next year's college expenses. He will need at least $900 in order to attend the university next year.

This student plans to become a college teacher and will need at least 5 years of college beyond his present sophomore year.

His case is but one of many—one that can be multiplied time and time again at every low-cost, publicly supported institution of higher learning. The needs are great, but the resources to meet the needs are unbelievably meager.

We know that of Florida's young people between the ages of 20 and 21, only half as many are enrolled in colleges as the national average. In Florida, 15 out of 100 young people of this age group is in college. The national average is 29 out of 100. One of the reasons that so few of these young people are in college is the lack of financial resources to permit them to attend. This is true despite the fact that the complexities of this scientific era serve as pointed reminders that our greatest asset is the brainpower of our youth. Any failure, for whatever cause, to educate these young people is a conspicuous waste of our greatest resource.

In a study made in 1962 by the U.S. Office of Education, it was found that 71 percent of the borrowers from National Defense Education Act funds came from families whose annual income is $6,000 and under. For Florida, 79 percent of the borrowers were in the same category. A random sampling of Florida State University's borrowers indicated a gross income of $4,848 per family a year. In 1962, the personal income per capita in Florida was $2,044, which was the highest of any of the Southeastern States. Mississippi was the lowest with a per capita income of $1,285. How much can we expect a family with an income that high or that low—or even an income double or triple that amount—to provide in the way of financial assistance to a young man and woman seeking a college education?

I should like to suggest that the availability of funds to pursue higher education needs to be made known as early as possible to the high school student. It is during the 10th, 11th, and 12th grades that a student takes—or fails to take—the courses that will prepare him for college. If the student with limited means who can profit by a college education has no hope, he will take noncollege preparatory courses. Further, he may become a dropout. If we can give incentive to those who are capable, if we can prevent dropouts, we can do much to help develop our greatest resource.

Unless more funds are made available, many of our capable, talented young people will be denied an opportunity to develop to their fullest potential.

Senate bill 2490 gives us hope for the future.

Senator MORSE. Thank you very much, Dean Carr.

Dr. HORN. Our next expert, Mr. Chairman, is Dr. Rexford Moon of the College Scholarship Service.

This is an agency of the College Entrance Examination Board which has as members more than 500 colleges and universities. Although the greatest percentage of its members are privately supported colleges and universities, there are an increasing number of publicly supported universities and the University of Rhode Island was one of the earliest. It is a pleasure, sir, to present Dr. Moon to you.

Senator MORSE. We will be glad to hear you, Dr. Moon.

STATEMENT OF DR. REXFORD G. MOON, DIRECTOR, COLLEGE SCHOLARSHIP SERVICE, NEW YORK

Dr. MOON. Thank you, Mr. Chairman. I will have some audiovisual aids here. Thank you.

I am, as Dr. Horn mentioned, director of the College Scholarship Service, an activity of the College Entrance Examination Board.

It provides a variety of services to higher education, corporations, foundations, States, and local governments in the administration of all types of student aid programs. In my appearance today I do not speak for the above-named organization or any of their members.

For some years the educational and political bodies in this country have at the institutional, State, and Federal levels, both jointly and independently, given consideration to the expansion of student aid resources for the support of full-time undergraduate education. The question asked most often in such discussions and the one which traditionally goes by unanswered is, how should we estimate what our dollar needs will be for student aid at various times in the future? My report to you today is in the form of a model, which I feel can be used to predict the long-range aid needs as to amount and type of an institution, a State or the Nation as a whole. Used at the institutional level, it will be a valuable aid in the planning of institutional services, recruiting activities, development needs, and so forth.

In an article in a recent issue of the New Republic, Christopher Jenks reports that student charges as a source of support for the Nation's system of higher education have increased from 44 percent of the total in 1952–53 to 50 percent of the total in 1962–63. According to Jenks, this increase compensated for the percentage decline in dollar support from Federal resources (declined 3 percent); State sources (declined 1 percent); gifts (2 percent). Local support, he notes, remained steady at 3 percent of the total. Families who have been paying the costs connected with higher education are well aware of this rise; educators are well aware of the importance of and necessity for student charges in the support of the higher educational enterprise.

We must assume, therefore, that it will be difficult if not impossible in the future to maintain and expand our complex higher educational enterprise unless student charges remain at a rather high level. But if charges remain high will this discourage college attendance? This is a consequence we can ill afford. Therefore it is essential that efforts be made to determine at all authority levels in higher education what compensating methods are needed to prevent these necessary student charges from becoming serious deterents to educational access.

This model has been developed to make possible the testing of various assumptions about the future of higher education and the making of reasonably accurate estimates for various points in time of the higher educational purchasing power of the American public.

From this information it is possible to determine what the dollar need or "deficit" will be for those families who are trying to purchase higher educational services. Once the location and magnitude of the deficit is known various solutions can be tested against this deficit for their appropriateness.

The information which follows develops the national family dollar "deficit" for higher education in 1970, estimate to be $3,339,578,954 (see table 6, p. 195), and suggests that if we as a nation wish to support or ease this deficit to at least a point relative to the easements provided in 1960 (which was at 57 percent of the deficit) our total national expenditure for student aid in 1970 (see table 7, p. 196) will need to be $1,993,560,000.

This model suggests that needs vary with types of institutions and, of course, we know that these needs will also vary a great deal State by State and institution by institution, and, of course, from time to time.

This model has not been carried through to predicting the ideal form for such aid in the future but it does suggest some of the various assumptions in this regard which may appropriately be tested.

If you are interested in seeing a picture of the study aid available in the United States in 1955 and 1960 for undergraduate education, you may turn to page 196.

That ends my testimony, Mr. Chairman.

Senator MORSE. May I say the entire statement, Dr. Moon, including——

Dr. MOON. I ask that my entire statement be put in the record.

Senator MORSE. It will be inserted in the record along with all the charts and tables accompanying the model which has been described by Dr. Moon.

(The attachments to Dr. Moon's statement follow:)

Prepared Statement of Rexford G. Moon, Jr., Director of the College Scholarship Service, College Entrance Examination Board

A Model for Determining Future Student Aid Needs in the United States for the Support of Full-Time Undergraduate Education

INTRODUCTION

In an article in a recent issue of the New Republic Christopher Jenks reports that student charges as a source of support for the Nation's system of higher education have increased from 44 percent of the total in 1952–53 to 50 percent of the total in 1962–63. According to Jenks, this increase compensated for the percentage decline in dollar support from Federal sources (declined 3 percent); State sources (declined 1 percent); gifts (2 percent). Local support, he notes, remained steady at 3 percent of the total. Families who have been paying the costs connected with higher education are well aware of this rise; educators are well aware of the importance of and necessity for student charges in the support of the higher educational enterprise.

We must assume, therefore, that it will be difficult if not impossible in the future to maintain and expand our higher educational enterprise unless student charges remain at a rather high level. But if charges remain high, will this discourage college attendance? This is a consequence we can ill afford. Therefore it is essential that efforts be made to determine at all authority levels in higher education what compensating methods are needed to prevent these necessary student charges from becoming serious deterents to educational access.

This model has been developed to make possible the testing of various assumptions about the future of higher education and the making of reasonably accurate estimates for various points in time of the higher educational purchasing power of the American public. From this information it is possible to determine what the dollar need or "deficit" will be for those families who are trying to purchase higher educational services. Once the location and magnitude of the deficit is known, various solutions can be tested against this deficit for their appropriateness.

The information which follows develops the national family dollar "deficit" for higher education in 1970, estimated to be $3,339,578,954 (see table 6), and suggests that if we as a nation wish to support or ease this deficit to at least a point relative to the easements provided in 1960 (which was at 57 percent of the deficit) our total national expenditure for student aid in 1970 (see table 7) will need to be $1,903,560,000.

This model suggests that needs vary with types of institutions and of course we know that these needs will also vary a great deal State by State and institution by institution. This model has not been carried through to predicting the ideal form for such aid in the future but it does suggest (see p. 13) some of the various assumptions in this regard which may appropriately be tested.

Assumptions made in estimating for 1970 the national family dollar deficit for higher educational services and the amount of compensatory student aid required

1. Family income will change between 1960 and 1970 at a rate consistent with the increase between 1955 and 1960 (see table 1).

2. Families living in urban surroundings where the head is between 45 and 54 years of age will be in the future most representative of that portion of the national population which must pay college costs (see table 1).

3. The average total cost of 1 year of a college education (undergraduate) will increase at a rate of 5 percent per year up to 1970 and possibly beyond (see table 2).

4. The average total cost for a student attending a community, junior college, or other 2-year institutions in 1970 will be $500.

5. The average total cost for a full-time undergraduate student attending college in 1960 was as follows:

2-year college	$250
Public (4-year)	1, 350
Private (4-year)	2, 100

6. In 1970 there will be 14,169,000 children 18 to 21 years of age (Wolozin); 44 percent, or 6,230,360, of whom will be attending college as undergraduates (Keezer).

7. Of the undergraduates in 1970, 65 percent, or 4,049,734, will be full-time students and 35 percent will be part-time students (Wolozin).

8. In 1970 there will be 67 percent of students in public institutions (including 2 year) and 33 percent in private institutions (Wolozin).

9. In 1970 the full-time undergraduate student population in higher education will come from the various family income groups according to the percent of these groups in the total population (see table 6).

10. The full-time undergraduate students will tend in 1970 to distribute themselves proportionally across the three types of institutions in a way which is representative of their presence in the total population (table 6).

11. The ability of families to pay for college will be determined in 1970 in a manner similar to methods used in 1960 (chart I).

12. The total aid which should be available to full-time undergraduate students in 1970 should be at least as large in terms of the national family dollar deficit as such funds were in 1960 (tables 6, 7).

TABLE 1.—*Percentage distribution of family income for urban residents between 45 and 54 years of age (actual for 1955, 1960, and estimated for 1965 and 1970)*

[In percent]

Family income	1955	1960	1965 estimate	1970 estimate
Up to $1,000	3.1	2.2	1.3	0.4
$1,000 to $1,999	4.0	4.2	4.4	4.6
$2,000 to $2,999	6.6	5.4	4.2	3.0
$3,000 to $3,999	9.3	7.8	6.3	4.8
$4,000 to $4,999	12.1	9.6	7.1	4.6
$5,000 to $5,999	12.1	12.2	12.3	12.4
$6,000 to $6,999	11.3	10.2	9.3	8.2
$7,000 to $9,999	24.6	26.3	28.0	29.7
$10,000 and up	17.0	22.1	27.1	32.3
Total	100.0	100.0	100.0	100.0
Median	$6,257	$6,847	$7,550	$8,210

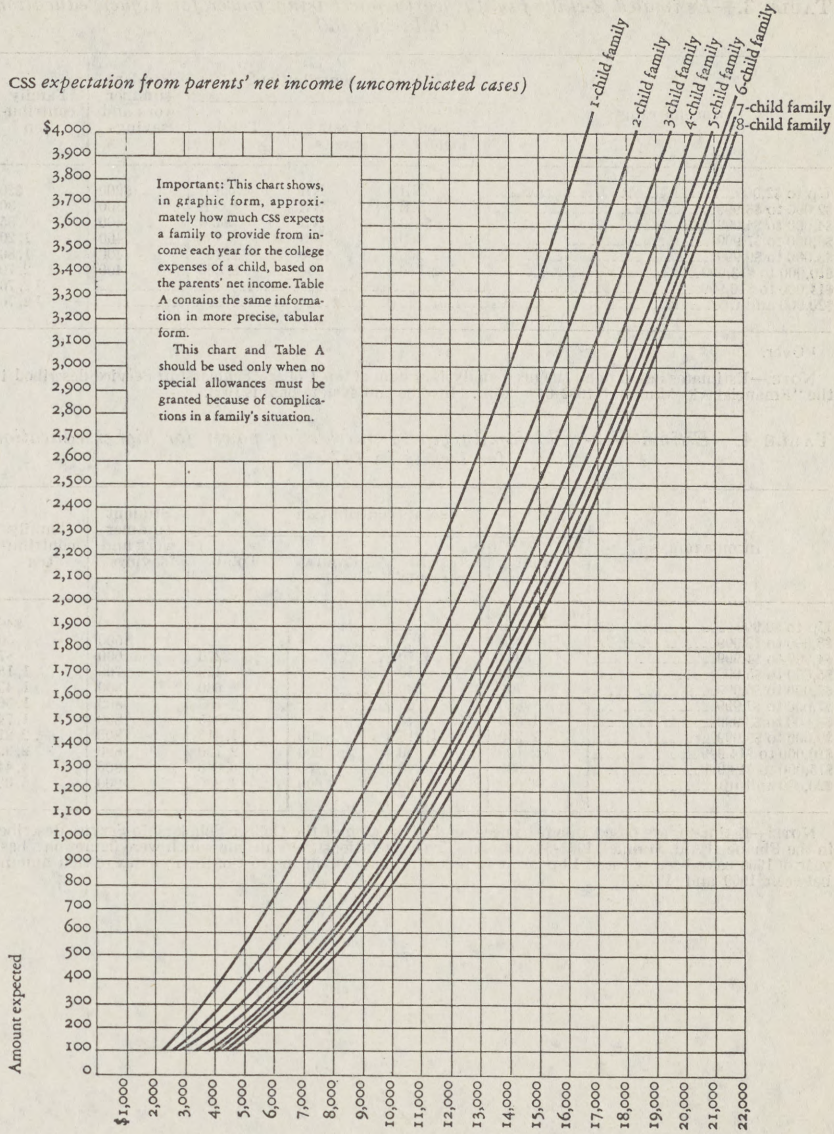
Source: Miller, Herman. "Trends in the Income of Families and Persons in the United States, 1947 to 1960" (technical paper No. 8), U.S. Department of Commerce, Bureau of the Census, 1963.

TABLE 2.—*Average college costs, 1968–78—1962–63 estimated average college costs: Public institution, $1,500 per 9-month residence; private institution, $2,500 per 9-month residence*

	3 percent increase		5 percent increase		Yearly cost, 3 percent		Yearly cost, 5 percent	
	Public	Private	Public	Private	In public	In private	In public	In private
1968 [1]	$1,728	$2,898	$1,915	$3,191	$1,728	$2,898	$1,915	$3,191
1969	1,780	2,985	2,011	3,351	1,780	2,985	2,011	3,351
1970 [1]	1,833	3,075	2,112	3,519	3,666	6,150	4,224	7,038
1971	1,891	3,167	2,218	3,965	3,782	6,334	4,436	7,390
1972	1,948	3,272	2,329	3,880	1,948	3,272	2,329	3,880
1973 [1]	2,006	3,370	2,445	4,074	4,012	6,740	4,890	8,148
1974	2,066	3,471	2,567	4,278	2,066	3,471	2,567	4,278
1975 [1]	2,128	3,575	2,695	4,492	4,256	7,150	5,390	8,984
1976	2,192	3,682	2,830	4,716	4,384	7,364	5,660	5,432
1977	2,258	3,792	2,971	4,952	2,258	3,792	2,971	4,952
1978	2,325	3,906	3,120	5,199	2,325	3,906	3,120	5,199
Total					32,205	54,062	39,513	61,843

[1] The 2d set of double columns shows what the yearly cost to a family might be for the education of 4 children entering college in 1968, 1970, 1973, and 1975.

NOTE.—Working from a base year of 1962–63 this table illustrates what the full costs of attending public and private institutions will be in various future years under 2 sets of assumptions, the 1st being that these costs will increase at the rate of 3 percent per year and the 2d that they will increase at the rate of 5 percent percent per year. This information is seen in the 1st set of double columns.



Taken from: Financial Aid Manual, 1962-64 Edition

TABLE 3.—*Estimated 2-child family yearly purchasing power for higher education for 1 child in 1960*

Income ranges	Parents contribution			Student summer work and savings	Family contribution
	From income	From assets	Total		
Up to $2,000	Nil	Nil	Nil	$200	$200
$2,000 to $3,999	Nil	Nil	Nil	300	300
$4,000 to $5,999	$450	Nil	$450	400	850
$6,000 to $7,999	800	Nil	800	400	1,200
$8,000 to $9,999	1,200	$200	1,400	400	1,800
$10,000 to $13,999	2,000	300	2,300	400	2,700
$14,000 to $19,999					[1] 2,700
$20,000 and up					[1] 2,700

[1] Over.

NOTE.—Estimates based upon the need analysis system of the College Scholarship Service described in the "Financial Aid Manual," 1962–64 edition. Income and system base is 1960.

TABLE 4.—*Estimated 2-child family yearly purchasing power for higher education for 1 child in 1970*

Income ranges	Parents contribution				Student summer work and savings	Family contribution
	From income	Less 10 percent	From assets	Total		
Up to $2,999	Nil				$400	$400
$3,000 to $3,999	Nil				500	500
$4,000 to $4,999	$300	$270		$270	600	870
$5,000 to $5,999	500	450		450	700	1,150
$6,000 to $6,999	700	630		630	800	1,430
$7,000 to $7,999	850	765		765	800	1,565
$8,000 to $8,999	1,050	945		945	800	1,745
$9,000 to $9,999	1,350	1,215	200	1,415	800	2,215
$10,000 to $14,999	2,100	1,890	300	2,190	800	2,990
$15,000 to $19,999	3,600	3,240	400	3,640	800	4,440
$20,000 and up	4,000	3,600	600	4,200	800	5,000

NOTE.—Estimates are based upon the need analysis system of the College Scholarship Service described in the Financial Aid Manual, 1962–64 edition. The expectations from income which were figures on a basic year of 1960 have been reduced 10 percent to reflect an increase in the cost-of-living index of that amount between 1960 and 1970.

TABLE 5.—*Probable distribution of 2,527,000 full-time undergraduate students in 3 types of higher institutions by family income level* [1] *for the year 1960 and their ability to pay for college*

Income distribution	Percent	Community		Public		Private		Individual ability to pay by income
		Number	Ability to pay	Number	Ability to pay	Number	Ability to pay	
Up to $2,000	2.0	5,054	$1,010,800	25,270	$5,054,000	20,216	$4,043,200	200
$2,000 to $3,999	6.0	15,162	3,790,500	75,810	22,743,000	60,648	18,194,400	300
$4,000 to $5,999	14.1	35,631	8,907,750	178,154	151,430,900	142,523	121,144,550	850
$6,000 to $7,999	19.1	48,266	12,066,500	241,329	289,594,800	193,063	231,675,600	1,200
$8,000 to $9,999	17.7	44,728	11,182,000	223,640	301,914,000	178,912	322,041,600	1,800
$10,000 to $13,999	19.2	48,518	12,129,500	242,529	327,499,200	194,074	407,555,400	2,700
$14,000 to $19,999	11.1	28,050	7,012,500	140,248	189,334,800	112,198	235,615,800	
$20,000 and up	10.8	27,291	6,822,750	136,457	184,216,950	109,166	229,248,600	
Total	100.0	252,700	62,922,300	1,263,500	1,471,787,650	1,010,800	1,569,519,150	

Type of institution	Percent	Number of students	Average cost	Total cost to students	Ability to pay	Deficit, 1960
Community	10	252,700	$250	$63,175,000	$62,922,300	$252,700
Public	50	1,263,500	1,350	1,705,725,000	1,471,787,650	233,937,350
Private	40	1,010,800	2,100	2,122,680,000	1,569,519,150	553,160,850
Total	100	2,527,000		3,891,580,000	3,104,229,100	787,350,900

[1] Taken from data reported in: College Student Questionnaire, Educational Testing Service, 1963, for 23 colleges and universities.

NOTE.—Weighted average college cost 1960, $1,540; students aid available in 1960 as a percent of total deficit, 57 percent.

TABLE 6.—*Possible distribution of 4,049,734 full-time undergraduate students in 3 types of higher institutions by family income level for the year 1970 and their ability to pay for college*

Income distribution (colleges)	Percent	Community colleges		Public (4 year)		Private (4 year)		Ability to pay by income level
		Number	Ability to pay	Number	Ability to pay	Number	Ability to pay	
Up to $2,999	8.0	48,597	$19,438,800	161,989	$64,795,600	113,393	$45,357,200	$400
$3,000 to $3,999	4.8	29,158	14,578,000	97,194	48,597,000	68,036	34,018,000	500
$4,000 to $4,999	4.6	27,943	13,971,500	93,144	81,035,280	65,201	56,724,870	870
$5,000 to $5,999	12.4	75,325	37,662,500	251,084	288,746,600	175,759	202,122,850	1,150
$6,000 to $6,999	8.2	49,812	24,906,000	166,038	237,434,340	116,227	166,204,610	1,430
$7,000 to $7,999	9.9	60,138	30,069,000	200,462	313,723,030	140,323	219,605,495	1,565
$8,000 to $8,999	9.9	60,138	30,069,000	200,462	349,806,190	140,323	244,863,635	1,745
$9,000 to $9,999	9.9	60,138	30,069,000	200,462	423,375,744	140,323	310,815,445	2,215
$10,000 to $14,999	20.0	121,492	60,746,000	404,973	855,302,976	283,482	847,611,180	2,990
$15,000 to $19,999	9.0	54,672	27,336,000	182,238	384,886,656	127,567	448,908,273	(4,440)
$20,000 and up	3.3	20,046	10,023,000	66,821	141,125,952	46,774	164,597,706	(5,000)
Total	100.0	607,459	298,669,800	2,024,867	3,188,829,368	1,417,408	2,740,829,264	

SUMMARY

Type of institution	Percent	Number of students	Cost	Total costs to student	Ability to pay	Deficit, 1970
Community college	15	607,459	$500	$303,529,500	$298,669,800	$4,859,700
Public (4 year)	50	2,024,867	2,112	4,276,519,134	3,188,829,368	1,087,689,766
Private (4 year)	35	1,417,408	3,519	4,987,858,752	2,740,829,264	2,247,029,488
Total	100	4,049,734		9,566,907,386	6,228,328,432	3,339,578,954

NOTE.—Weighted average college cost 1970, $2,362; student aid needed in 1970, at 57 percent of deficit, $1,903,560,000.

Some assumptions to be tested as to the form and type of student aid resources required to meet the national family dollar deficit in 1970

1. Student aid resources should be increased from 1960 levels from all sources to meet the "deficit" in 1970 in proportion to their existence in 1960.

2. Aid should be available in 1970 in amounts to assure equal sums for scholarships, jobs, loans from all sources; only from the Federal Government.

3. The Federal share of student aid costs should in 1970 bear the same relationship to total aid available as it did in 1955, or 1960.

4. Aid resources should be increased from 1960 and 1970 levels in order to recognize the differential ability to pay for college among various economic groups.

5. Programs should be developed in recognition of the specialized deficit aid problems confronting the various types of higher institutions.

6. Aid programs could be developed to assure some reasonable enrollment balance between various types of higher institutions.

7. Programs could be developed to reflect the special educational payment problems of various income groups at various types of institutions.

8. Loan funds which theoretically only add to the national family dollar deficit should be reduced as a share of the total resources.

TABLE 7.—*Student aid available or needed in the United States for the support of full-time undergraduate education* [*actual for 1955, 1960; projected for 1970*]

Source and type	1955 (dollars)	1960 (dollars)	1970 (needed)
College scholarships	}	{$100,000,000	
College jobs	}$144,000,000	{ 100,000,000	
College loans	}	{ 15,000,000	
NDEA loans		70,000,000	
Veterans' benefits	706,000,000	70,000,000	
ROTC	[1] 11,000,000	11,500,000	
Government (miscellaneous)	nil	500,000	
State scholarships	[1] 5,000,000	20,000,000	
State (miscellaneous)	[1] 10,000,000	30,000,000	
Corporations	[1] 15,000,000	30,000,000	
Total	891,000,000	447,000,000	($1,903,560,000)
Full-time undergrads	1,920,000	2,527,000	(4,049,734)
Average dollars per students	464	177	(470)

[1] Estimates.

NOTE.—Figures have been, in most instances, rounded to the nearest million.

Source: Moon, Rexford G., Jr., "Student Aid in the United States, Administration, and Resources," College Entrance Examination Board, 1963.

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Senator MORSE. I have no questions. Senator Yarborough?

Senator YARBOROUGH. Dr. Moon, on the data that you gave us, to the effect that 50 percent of the total charges for support of the Nation's system of higher education are borne by the students——

Dr. MOON. Yes, sir.

Senator YARBOROUGH. Could you say what percent of that comes out of loan funds, both public and private?

Dr. MOON. Sir, the back of that part of my testimony which I did not read, you will find a table, table 7 (see p. 196), which reports student aid available in the United States for the support of full-time undergraduate education in 1955, and then also in 1960.

For those who like these kinds of exercises, I have left the column for 1970 empty, but I have filled in the total at the bottom, so you can experiment in various ways in filling that column. But you will notice in 1960 loans either from the source of the Federal Government, NDEA, or from institutionally controlled funds were approximately $85 million.

This was just of course as we were beginning to get underway with the NDEA program. That figure has grown considerably now, so that I would estimate that college loans, loans being administered by colleges probably comes close to $128 to $130 million at this time. This does not include commercial loans or loans made from sources other than higher institutions.

Senator YARBOROUGH. That is the student aid. Do you have corresponding data as to what the total student payments per year amount to, for colleges.

Dr. MOON. No, sir.

Senator YARBOROUGH. Fifty percent student fees, if they make up 50 percent of the cost, what is the——

Dr. MOON. There is one way that you can see what the total payment by students for higher educational services would be or were. Are you interested in 1960 or 1970.

Senator YARBOROUGH. 1964, as close as we can get to 1964, the nearest figure for 1964.

Dr. MOON. 1960 is the best figure I can give you, which you will find in table 5. If you will read over five columns, and you will see a figure which is the total cost to students of higher education. This means the total expenditure by the American public for students, the expenses for tuition, books, and fees, room and board, transportation, the best estimate I could make of what the total cost to a family was for sending a child to college for 1 year.

Now in 1960 I estimated that figure was $3,891,580,000.

Senator YARBOROUGH. How much have college enrollments increased from 1960 to the fall of 1963? It has gone up something between a half million and a million students, hasn't it?

Dr. MOON. I don't have my figures before me, Senator. I can give you what is the actual enrollment for 1960 and predicted for 1970 fairly accurate as full-time undergraduate enrollment, but I do not have figures before me at this time. I would be happy to get them for you.

Senator YARBOROUGH. If they could be supplied to the committee I think it would be helpful.

Dr. MOON. I will obtain those for you.

Senator YARBOROUGH. I won't delay you gentlemen now, but if they were supplied I think it would be helpful. Now in the fifth column you have indicated in table 2, total cost of $3,891 million for the students.

What part of that is paid to schools for tuition and fees?

Dr. MOON. I would want, before making a statement on that, Senator, to make some assumptions.

Senator YARBOROUGH. I won't ask you to do that on the spur of the moment.

Dr. MOON. I will be glad to submit that too.

(The statistics referred to follow:)

COLLEGE ENTRANCE EXAMINATION BOARD,
New York, N.Y., March 18, 1964.

DEAR SENATOR MORSE: Senator Yarborough asked during the hearings on March 10 for an estimate of the proportion of the $3,891,580,000 estimated to have been paid by all American families in connection with full-time undergraduate education in 1960 that was actually paid for tuition and required fees.

I would estimate that somewhere between $1.3 and $1.4 billion was required to be paid as fees and tuition in 1960 by full-time undergraduates.

Sincerely,

REXFORD G. MOON, Jr.

Senator YARBOROUGH. Thank you.

Dr. MOON. You will see on p. 192, table 2, the basis for estimating what the cost for education would be in 1970. This table depicts what college costs might be per year between 1968 and 1978 based on a 3-percent increase in these costs over the present time or a 5-percent increase in these costs. The assumption I made in producing this model was that college costs would increase at about the rate of 5 percent per year. Also interesting is the second set of columns on p. 192, table 2, which shows what a family with four children might have to pay for educating those children between the years 1968 and 1978, depending on the types of institutions that these children choose to attend.

You will note that the low figure would be, if costs increase at the rate of 3 percent and the child attended a public institution, the total expenses would be $32,205. In the event college costs increased at the rate of 5 percent per year, and the child chose to attend a private institution, the total cost to the family for all four children would be $61,843.

Senator YARBOROUGH. Thank you, Dr. Moon.

Mr. Chairman, I have just been handed a survey here for December 2, 1963, by the Department of Health, Education, and Welfare Office of Education as to the number of students, the student increase in colleges in the past 3 years.

I request that this table be printed in the record.

Senator MORSE. The survey will be printed in the record at this point.

(The survey referred to follows:)

U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
OFFICE OF EDUCATION,
Washington, D.C., December 2, 1963.

More than 4.5 million enrolled in 2,140 colleges and universities this fall to work for degrees, the U.S. Office of Education announced today. This breaks all records for the 12th consecutive year.

The total—4,529,000—is 7.7 percent higher than the 4,207,000 in the fall of 1962. It is considerably more than double the 2,116,000 in the fall of 1951.

In addition, 271,800 enrolled in special programs to prepare themselves for employment after 2 or 3 years of study. This is the first year the Office of Education has attempted such an estimate for the annual opening fall survey. Two-thirds of these students—67.3 percent—are men.

The number of part-time students in the recordbreaking 4,529,000 rose 12 percent from 1,285,000 in the fall of 1962 to 1,439,000. In contrast, the full-time students increased only 5.8 percent from 2,922,000 to 3,090,000.

The proportion of women edged upward slightly, continuing a 7-year trend. Women now total 1,739,000 or 38.4 percent, compared with 1,604,000 or 38.1 percent of the enrollees a year ago. The figure in 1956 was 34.6 percent.

Number of first-time students this fall is 1,055,000, only 1.6 percent over the 1962 figure of 1,039,000. Women in this group rose to 42.3 percent, compared with 42 percent in 1962.

TABLE 1.—*Opening enrollment of students in each enrollment category, by sex and by institutional control: Aggregate United States, fall 1963*

Enrollment category	All institutions			Publicly controlled institutions	Privately controlled institutions
	Both sexes	Men	Women		
(1)	(2)	(3)	(4)	(5)	(6)
Total	4, 800, 332	2, 972, 344	1, 827, 988	3, 090, 578	1, 709, 754
Students taking work creditable toward a bachelor's or higher degree	4, 528, 516	2, 789, 527	1, 738, 989	2, 872, 823	1, 655, 693
Students in undergraduate programs not chiefly creditable toward a bachelor's degree	271, 816	182, 817	88, 999	217, 755	54, 061

TABLE 2.—*Opening enrollment of students taking work creditable toward a bachelor's or higher degree, by sex and by institutional control: Aggregate United States, 1961–63*

Type of data and year	All institutions			Publicly controlled institutions	Privately controlled institutions
	Both sexes	Men	Women		
(1)	(2)	(3)	(4)	(5)	(6)
ALL STUDENTS					
Number of students:					
Fall 1963	4, 528, 516	2. 789, 527	1, 738. 989	2, 872, 823	1, 655, 693
Fall 1962	4, 206, 672	2, 603, 072	1, 603, 600	2, 596, 904	1, 609, 768
Fall 1961	3, 891, 230	2, 423, 987	1, 467, 243	2, 351, 719	1, 539, 511
Percent changes:					
1962 to 1963	+7. 7	+7. 2	+8. 4	+10. 6	+2. 9
1961 to 1963	+16. 4	+15. 1	+18. 5	+22. 2	+7. 5
FULL-TIME STUDENTS					
Number of students:					
Fall 1963	3, 089, 614	1, 913, 977	1, 175, 637	1, 933, 327	1, 156, 287
Fall 1962	2, 921, 552	1, 821, 513	1, 100, 039	1, 792, 553	1, 128, 999
Fall 1961	2, 682, 150	1, 689, 472	992, 678	1, 616, 622	1, 065, 528
Percent changes:					
1962 to 1963	+5. 8	+5. 1	+6. 9	+7. 9	+2. 4
1961 to 1963	+15. 2	+13. 3	+18. 4	+19. 6	+8. 5
PART-TIME STUDENTS					
Number of students:					
Fall 1963	1, 438, 902	875, 550	563, 352	939, 496	499, 406
Fall 1962	1, 285, 120	781, 559	503, 561	804, 351	480, 769
Fall 1961	1, 135, 897	691, 042	444, 945	677, 264	458, 723
Percent changes:					
1962 to 1963	+12. 0	+12. 0	+11. 9	+16. 8	+3. 9
1961 to 1963	+26. 7	+26. 7	+26. 6	+38. 7	+8. 9
FIRST-TIME STUDENTS					
Number of students:					
Fall 1963	1, 055, 146	608, 562	446, 584	691, 813	363, 333
Fall 1962	1, 038, 620	601, 993	436, 627	674, 261	364, 359
Fall 1961	1, 026, 087	595, 794	430, 293	653, 183	372, 904
Percent changes:					
1962 to 1963	+1. 6	+1. 1	+2. 3	+2. 6	−0. 3
1961 to 1963	+2. 8	+2. 1	+3. 8	+5. 9	−2. 6

TABLE 3.—*Opening enrollment of students in each enrollment category and of first-time bachelor' degree-credit students, by region and State: Fall 1963*

Region and State	All students in survey	Students taking work creditable toward a bachelor's or higher degree		Students in undergraduate programs not chiefly creditable toward a bachelor's degree	First-time students taking work creditable toward a bachelor's degree	
		Number	Percent change, 1962 to 1963		Number	Percent change, 1962 to 1963
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Aggregate United States	4,800,332	4,528,516	+7.7	271,816	1,055,146	+1.6
The States and District of Columbia	4,765,867	4,494,626	+7.7	271,241	1,046.417	+1.5
New England	306,110	291,898	+5.5	14,212	69,509	+0.9
Connecticut	65,416	63.501	+7.5	1,915	15,308	+3.8
Maine	17,420	16.473	+9.6	947	3,727	−8.2
Massachusetts	171,331	163,257	+4.9	8,074	37,775	+1.8
New Hampshire	14,699	14.085	+6.9	614	3,426	−1.8
Rhode Island	25,090	23,521	+3.6	1,569	5,939	−1.0
Vermont	12,154	11,061	−0.6	1,093	3,334	−4.1
Mideast	988,319	892,766	+6.8	95,553	162,723	+1.1
Delaware	10,851	10,161	+13.2	690	2,802	+14.3
District of Columbia	58,906	55,956	+9.4	2,950	7,089	+4.4
Maryland	75,556	73,018	+12.1	2,538	14,580	+10.5
New Jersey	110,449	108.899	+7.4	1,550	21,104	−3.5
New York	488,263	415,230	+5.1	73,033	68,439	−2.8
Pennsylvania	244,294	229,502	+7.1	14,792	48,709	+5.3
Great Lakes	896,898	865,417	+6.2	31,481	198,361	+2.4
Illinois	250,074	242,411	+5.3	7,663	57,292	+1.2
Indiana	118,637	117,888	+5.4	749	25,853	−4.0
Michigan	208,210	195,365	+6.9	12,845	41,113	+4.1
Ohio	220,280	214,789	+6.1	5,491	51,435	+3.7
Wisconsin	99,697	94,964	+8.7	4,733	22,669	+7.8
Plains	407,742	402,439	+6.0	5,303	107,982	+4.9
Iowa	68,758	68,169	+5.0	589	18,010	+5.0
Kansas	63,871	63,290	+5.7	581	16,574	−1.6
Minnesota	96,712	95,888	+7.4	824	24,703	+0.9
Missouri	104,737	103,111	+6.5	1,626	28,648	+16.9
Nebraska	38,971	38,686	+6.3	285	10,394	+5.1
North Dakota	17,463	16,147	+0.8	1,316	4,557	−9.2
South Dakota	17,230	17,148	+4.5	82	5,086	+0.7
Southeast	735,566	721,183	+6.4	14,383	182,597	−0.1
Alabama	45,718	45,468	−4.6	250	10,883	−5.0
Arkansas	32,680	32,398	+4.9	282	8,098	−13.4
Florida	108,429	106,565	+18.7	1,864	26,121	+8.3
Georgia	62,236	60,329	+7.3	1,907	14,347	+2.4
Kentucky	57,391	57,123	+7.1	268	14,640	+7.8
Louisiana	70,709	70,702	+6.0	7	16,353	+12.0
Mississippi	43,282	42,349	+2.9	933	12,795	−8.4
North Carolina	91,273	87,854	+4.1	3,419	22,833	−2.6
South Carolina	36,382	35,496	+1.0	886	9,779	+0.8
Tennessee	76,824	76,489	+5.0	335	18,521	−14.4
Virginia	74,978	71,179	+7.9	3,799	19,750	+9.3
West Virginia	35,664	35,231	+4.5	433	8,477	−4.3
Southwest	382,039	372,676	+8.0	9,363	88,820	+0.6
Arizona	50,375	49,651	+13.5	724	12,688	+13.1
New Mexico	22,877	22,664	+8.8	213	4,994	+5.1
Oklahoma	71,541	67,640	+6.2	3,901	15,531	−8.3
Texas	237,246	232,721	+7.4	4,525	55,607	+0.4
Rocky Mountain	144,270	139,393	+8.7	4,877	35,277	+4.8
Colorado	57,885	57,393	+9.0	492	12,853	+6.0
Idaho	16,565	15,615	+12.2	950	5,378	+10.1
Montana	16,295	16,025	+6.9	270	4,463	+5.2
Utah	44,990	42,571	+9.3	2,419	10,357	+0.6
Wyoming	8,535	7,789	+1.1	746	2,226	+5.3

TABLE 3.—*Opening enrollment of students in each enrollment category and of first-time bachelor' degree-credit students, by region and State: Fall 1963*—Con.

Region and State	All students in survey	Students taking work creditable toward a bachelor's or higher degree		Students in undergraduate programs not chiefly creditable toward a bachelor's degree	First-time students taking work creditable toward a bachelor's degree	
		Number	Percent change, 1962 to 1963		Number	Percent change, 1962 to 1963
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Far West	889,723	793,654	+13.0	96,069	197,941	+0.7
Alaska	4,400	4,385	+13.1	15	880	−20.3
California	718,480	628,572	+14.0	89,908	156,085	+1.2
Hawaii	14,466	14,399	+10.8	67	3,548	−7.8
Nevada	5,599	5,599	+17.6		1,560	+19.5
Oregon	57,677	55,672	+7.2	2,005	14,569	+1.9
Washington	89,101	85,027	+9.7	4,074	21,299	−1.9
U.S. service schools	15,200	15,200	+6.9		3,207	+14.7
Outlying parts	34,465	33,890	+6.8	575	8,729	+8.2
Canal Zone	924	899	+86.1	25	501	+65.9
Guam	1,070	1,070	−14.2		301	−35.7
Puerto Rico	32,428	31,896	+6.3	532	7,902	+8.3
Virgin Islands	43	25	(1)	18	25	(1)

[1] Virgin Islands not included in 1962 survey. The College of the Virgin Islands opened in 1963.

Senator YARBOROUGH. Dr. Moon, I don't want to take time to review all of these tables. We have them in the record. We will study them. But do you have a table in here showing the gross income for institutions of higher learning from Federal moneys, taxes, State and local taxes, and gifts?

Dr. MOON. This was taken from Mr. Jenk's article in the New Republic.

Senator YARBOROUGH. The students supported half of the total cost of running the Nation's system of higher education. I confess I am shocked by that statement, that the student fees paid half of the whole cost of maintaining the system of higher education?

Dr. MOON. It is kind of shocking; isn't it?

Senator YARBOROUGH. It has increased from 44 percent in 1952 to 50 percent now. It seems to me that the governments of this country are lagging behind in their duty to supply the higher education for the opportunities of the youth and for the growth of the Nation itself. It is the duty of governments.

Dr. MOON. Let's say table 7 speaks for itself. You will see the support for individual students coming from the Federal Government in 1955 amounted to almost $750 million.

Senator YARBOROUGH. Yes.

Dr. MOON. Now granted this was mainly benefits to veterans, but you see that that support, by the time we get to 1960, which I recognize is not representative of 1964, but it nonetheless——

Senator YARBOROUGH. It is still lower in 1964.

Dr. MOON. There is more gain in 1964 relative to the total, but it is still nowhere near as generous in relation to the total as it was in 1955.

Senator YARBOROUGH. I mean on the veterans benefits though the GI bill is gradually playing out.

Dr. MOON. Yes, sir.

Senator YARBOROUGH. The program was cut off by Presidential proclamation on January 31, 1955. Of course persons entering the service January 31, 1955, would be eligible for GI education, on a limited scale provided in the GI bill, not over 3 years depending on how long he served. That was the cutoff date.

As youngsters come out of the service that number declines per year, as does this educational opportunity. I am glad to be here on a committee with the distinguished chairman who has so ably and eloquently supported the GI bill when on the floor of the Senate it bogged down through failure of the leadership to call it up.

It has been pending here for several years. It passed the Senate in 1959. I am sure it is just one of many phases of support for public education. I am glad to have this figure which will be put in the record and which sets forth another reason why this bill should pass. It is that much more support for higher education.

Senator MORSE. Has the Senator from Texas noted, particularly, in recent months, the increase of public speeches of the leadership of the administration—both on the far end of Pennsylvania Avenue and at this end, pointing with pride to the accomplishments of the GI bills of the past? Has he also noted that there has not been a whisper about the possibilities of continuing those accomplishments by reinstating the benefits of the GI bill on education?

Senator YARBOROUGH. I noticed that. They don't even talk a good fight. They don't promise anything for the future but they brag a great deal about the past.

Senator MORSE. I only want to say the Senator from Oregon stands ready and willing to consider its extension as an amendment to this bill.

Dr. Horn, you may proceed.

Dr. HORN. Our next witness is Dr. Carl Grip, dean of men of Temple University at Philadelphia, one of our great urban institutions and he has been making a special study of loan provisions of financial aid.

STATEMENT OF DR. CARL GRIP, DEAN OF MEN, TEMPLE UNIVERSITY, PHILADELPHIA, PA.

Dean GRIP. Mr. Chairman, Senator Yarborough, my name is Carl Grip, Jr., and as pointed out, I also teach. I am also chairman of a small organization sponsored by the counselor student personnel organization known as the joint commission on student financial aid which organization includes representatives of organizations of deans, registrars, financial aid officers, admissions officers, and has been engaged in studying the financial aid problems for the last 2 years.

The university I come from is only 80 years old, but it began as an institution dedicated to extending the opportunities for higher education to all regardless of race or creed, and its instruction was offered in the evenings so that youngsters who were employed full time might attend. In the 80 years since it began it has become the second largest private university of the country.

Senator YARBOROUGH. I didn't understand, doctor, that last statement. It has become the second largest what?

Dean CARR. Private university in the country.

Senator YARBOROUGH. Can you pull the mike over a little?

Dean Carr. This fall we reached our enrollment projections that we made only 3 years ago for 1967. Because we still have a substantial number of part-time students, when the National Defense Education Act loan program was started we made a special effort to help convert part-time students to full-time students.

We also tried very hard to reduce the loss of students, those who would be dropping out because of financial problems. With the help of a very alert faculty we have been able to prevent a large number of dropouts, but we have not been so successful in converting part-time students to full-time students. The reason is simple.

The $1,000 limitation on the National Defense Education Act loan program makes available funds that are not commensurate with the needs that many of these people have, if they were to become full-time students. Furthermore, until recently, we were limited by the $250,000 institutional ceiling and even the new $800,000 institutional ceiling will limit this year about a dozen institutions, and these are, of course, institutions which are expanding and are attempting to make education available.

Therefore, we hope very much that the Congress will see fit to eliminate that $800,000 ceiling, and to fund each year the National Defense Education Act loan program to an extent sufficient to meet the legitimate requests made by American institutions.

We would propose though that after that is done, we will have reached the limit of what can be accomplished in financing higher education and in financing students of higher education through loans.

The deans and the directors of financial aid to whom I talk are reluctant to even oppose the ceiling of $1,000 a year now over a 4-year period because they feel that there are too many unfortunate consequences to be expected if a student has that large an indebtedness when he graduates. What will happen for instance to the person with a bachelor's degree with a $4,000 loan who wants to go on to graduate school?

We suspect that many competent students will feel that they cannot at that point afford to continue. And it is interesting to speculate too what will happen if two youngsters, each with $4,000 or $5,000 of indebtedness, get married. And I am wondering what will happen to the home construction market if we ever reach that point.

You have also proposed in your bill a commercial loan program. As indicated above, we suspect that the limit of the contribution to be made by loans has been reached or will have been reached if these changes are made in the National Defense Education Act loan program, and it is hard for us to view the commercial loan program as a financial aid program, because of its high cost. For instance, even with a 6-percent limitation on interest, a freshman at the end of 4 years would owe 18 percent interest on that loan by the time he graduated.

Last year at our university we made a special effort to go out into our community and bring in disadvantaged children, principally Negro students who had graduated from high school school but did not attend college.

Even after our regular scholarship program had closed late in the spring, we were able in 1 month through the help of some scouts and aids in the community, to bring in nine youngsters who had not attended college.

But there were many more that we lost. We found, for instance, that in a typical case of the student aided, he came from a family with a $3,800 a year income and there were four children in that family. We found that loans in the amount of up to $1,000 simply cannot do this job.

We were fortunately abie to get a little more scholarship money at that point and through accommodation of some scholarship and some loan to get nine students in 1 month. We feel, however, that we have reached the limit, and any further extension of what we do in this area will depend upon our having available more scholarship funds.

I think I should also point out in closing that there is a feeling among many of us that the available scholarship funds, while they are going to deserving, competent students who have need, tend to be going to the students whose families have incomes of $6,000, $8,000, and $9,000 a year, and they tend to leave untouched the students whose families who have $4,000 or $5,000 a year; because as all of you know, there is a rather strong relationship between high school graduates, IQ, college board scores, and the kind of economic opportunity a student has had.

In conclusion then what I am trying to suggest is that with these changes in the National Defense Education Act loan program, attention needs to be devoted now to providing vast increases in the amount of aid available to students in the form of work study programs which we support, and scholarship programs. Thank you.

Senator MORSE. Dean Grip, I am going to ask committee counsel, Mr. Forsythe, to ask you some questions concerning the lifting of the ceiling on National Defense Education Act loans and also to inquire what ceiling, if any, Temple University puts upon income of parents in the consideration of granting loans.

Mr. Forsythe, will you ask your question?

Mr. FORSYTHE. You have mentioned that the guarantee loan program might not be necessary, particularly if a ceiling on the National Defense Education Act loan program is lifted so that the large schools get all the money that they could use adequately.

That brings up the question of what standards Temple uses for instance, or any other school that you know about, in determining whether a specific student is eligible for a National Defense Education Act loan.

Do you have a ceiling of a $10,000 income for parents or what standards do you apply when a student comes in and applies for a National Defense Education Act loan?

Dean GRIP. I presume, Mr. Counsel, that you are familiar with the college scholarship service formulas, the technique of assessing the amount of contribution that a family can make. We have been using these and we have been in the unfortunate position of having relatively small amounts of scholarship funds, of maintaining standards for National Defense Education Act loans that would be overly restrictve if they were scholarship funds. For instance, we have not been able to make loans in general to students at less than a 2.5 average on a 4-point basis because we just didn't have enough funds to get below that group and take the most competent too.

But we use the need factor. Our average for all students on all aid programs, the average total family income has hovered between

$5,800 and slightly over $6,000 year by year, for all students and on all the aid programs at the university.

Senator MORSE. Then if a parent has one student and he makes $10,000, automatically the child would not be eligible for a National Defense Education Act loan under what you have just said.

Dean GRIP. Yes. I would suggest—this has been entered in the record—this table which is in Dr. Moon's presentation is the formula which we are following.

Dr. MOON. It is oversimplification of it, Mr. Chairman.

You will see part of my model required first of all estimating what the probable distribution of family income would be in 1970. You will find this information in table 1 of my testimony. You will find in my testimony a chart presenting an oversimplification of the method to assess family ability to pay which Dr. Grip briefly mentioned, and then you will find tables that indicate what our system would suggest is the minimum purchasing power of the family at a particular income level for higher educational services.

Our formula is a very comprehensive one. I have with me today a copy of the form which we use and which our member colleges use, which I would be happy to introduce into the record, and I would be happy to provide for the record a copy of the full manual which describes in its entirety the system that we use on behalf of the colleges, and I would request actually that that may be introduced into the record if that meets with your approval or perhaps you would want to reserve that judgment until later.

Senator MORSE. How long is the manual?

Dr. MOON. There is a section which deals with the question that you have raised. It is perhaps no more than 10 or 15 pages.

Senator MORSE. That will be received in the record. The full manual will be received as an appendix to the record and not printed in the record.

Dr. MOON. Very good, sir.

(The document referred to follows:)

COLLEGE ENTRANCE EXAMINATION BOARD,
New York, N.Y., March 18, 1964.

DEAR SENATOR MORSE: During the hearings on Tuesday, March 10, Senator Morse asked that a copy of the CSS parents confidential statement and a description of the need analysis procedure be made part of the record. He also indicated that the Financial Aid Manual would be noted as a supplement to the record. I have enclosed the necessary materials to accomplish these points.

I think the description of our need analysis procedure found on pages 43–104 of the manual is perhaps too detailed for the record. I would recommend, therefore, that you use the material, including charts and tables, of the Guide for Counselors for the purpose of describing the analysis of need. A copy of the manual and the parents confidential statement are also enclosed.

If I may be of further assistance to the committee, please feel free to call on me.

Sincerely,

REXFORD G. MOON, Jr.

COLLEGE SCHOLARSHIP SERVICE

1964-1965 ACADEMIC YEAR GENERAL INFORMATION, INSTRUCTIONS, PARENTS' CONFIDENTIAL STATEMENT

General Information: The College Scholarship Service (CSS) is a cooperative activity of the participating colleges listed on the inserted sheet. Its primary functions include handling the Parents' Confidential Statements submitted by parents in support of applications for financial aid and serving as a clearing house of information for the colleges on scholarships, loans, and other forms of student aid.

The colleges using the CSS believe that scholarships should be awarded to students selected on the basis of ability and promise but that the amount of the awards should vary according to the financial need of the students and their families. The questions asked in the Parents' Confidential Statement are designed to procure information needed by the colleges to understand fully the family financial position and to make certain that financial aid can be awarded to those qualified students whose need is greatest.

As part of its handling of Parents' Confidential Statements, the CSS evaluates each Statement in accordance with standards and procedures developed by the colleges requiring the form. Parents submitting a form to the CSS should understand that in so doing they consent to this evaluation prior to its submission to the colleges involved.

While the CSS *thus assists the college by its evaluation of the Statement, it is the college which makes the final determination of a candidate's financial need.* The CSS does not select the recipients of scholarships or other forms of financial aid. These selections are made by individual colleges, each of which has its own policies for awarding aid. Since at most colleges this Statement is not in itself an application for financial aid, the completion of other forms is almost always required of the parents or students by the colleges. Such requirements normally are explained in the publications released by the individual colleges. Parents should return this Statement to the CSS and should return any required forms furnished by colleges directly to the colleges.

Enclosures: This folder includes (1) an instruction work sheet to be retained by you, the parents, for your own records and for reference should there be any later correspondence, and (2) an inserted Parents' Confidential Statement to be completed, signed and *mailed to the* CSS (see **Mailing addresses and dates**). *Only one Statement (not one for each college) should be completed for each applicant.* Copies of this will be made by the CSS and forwarded to the colleges named. The original Statement will be held on file so that you may request that additional copies be sent to other colleges at a later date. Since reprocessing of the Statement is necessary for each supplemental request, it is best to list, at the time of original filing, all colleges to which copies are to be sent. To cover the cost of the service, a charge of $3 is made for the first copy and $2 for each additional copy requested. Payment should be made by check or money order, payable to College Scholarship Service.

The Statement should be filled out completely and should reflect accurately the financial position of the parents and student. If the family finances change materially after the Statement is filed, or if the student is awarded a scholarship not granted by a college, you should promptly notify the CSS, which will in turn notify the colleges.

Each college to which a copy of the Statement is sent will be told of the other colleges to which copies have been or are being sent. To preserve the confidential nature of the Statement, *copies are released only at the signed request of parents or the student applying for aid.*

Mailing addresses and dates: The Statement and any future correspondence should be sent to College Scholarship Service, Box 176, Princeton, New Jersey, *unless* the parents reside in or west of Montana, Wyoming, Colorado, or New Mexico. Parents residing in the thirteen western states, including Alaska and Hawaii, should send the Statement to College Scholarship Service, Box 1025, Berkeley 1, California. Parents residing in foreign countries should send the Statement to Princeton or Berkeley, whichever is nearer. To avoid delay and to insure accurate handling, do not include College Scholarship Service correspondence with College Board test registration materials or requests for additional College Board score reports. If you desire an acknowledgment of receipt, please enclose a stamped, self-addressed envelope or postal card.

The Statement should be sent as early as possible to reach the CSS address in Princeton or Berkeley by the Desired Receipt Date of the colleges named to receive copies. These dates are printed on the enclosed list. (If the student is applying under an Early Decision Plan, he will not receive a list.) Statements received after these dates will be considered by the colleges if possible.

Later correspondence: To request that copies be sent to additional colleges or to supply additional information about your finances, write to the CSS giving the names of the new colleges and any additional information you wish to include in your filed Statement. Be sure that the student's name is clearly printed at the top of such correspondence and in the same form required in line 1 of the Statement. Please include also the Statement number and your home address. Letters should be sent to the office (Princeton or Berkeley) where the original Statement was filed.

Instructions for completing Parents' Confidential Statement

This Statement is intended for students who plan to enter college in 1964. It should be filled out by the parents of the student applicant and mailed to the College Scholarship Service (not to the college). In certain circumstances it may be appropriate for someone other than the student applicant's parents to fill out this form: for example, a stepfather, guardian, or whomever the student applicant depends upon for his support. In these cases it is important to indicate clearly the relationship to the student applicant and to make any necessary notations, specifying whose income and expenses, assets, and liabilities are shown in Items 14-29.

The College Scholarship Service is an activity of the College Entrance Examination Board and operated for the Board by Educational Testing Service.

Instructions for completing Parents' Confidential Statement (continued)

If the student applicant is married but under 25 years of age, his parents must complete the Statement. After receiving the Statement, the CSS will send to the married student applicant a supplementary form requesting additional information about his own financial circumstances.

Even though an applicant may consider himself self-supporting in whole or in part, colleges expect complete information on the Statement from the applicant's parents. A self-supporting applicant should also indicate in some detail his own financial circumstances: in Item 12 his income for both 1963 and 1964, in Item 30 his personal assets, and in Item 31 the amount from his income and assets he plans to devote to his college expenses.

• **Type or print** all items of information using a dark typewriter ribbon or black ink. Do *not* use blue, blue-black, or other colored inks, or a ball-point pen.

• **Complete** all items. Enter amounts in dollars; omit cents. If a particular item does not apply to you, use a dash (—).

• **Explain** all circled-number items, for example, 28, and unusual family circumstances. If you do not find sufficient space on the form itself, attach a separate sheet bearing the name of the student applicant and the Statement number. Do not write on the back of the Statement, or in the column to the right of items 14-30 on page two of the Statement. This column is used by the CSS where necessary in connection with its evaluation of your Statement for the colleges. The work sheet is for your convenience in completing the Statement and for your records.

• **Submit** only one Statement for each student applicant.

• **Refer,** in future correspondence, to the student by name, printing it legibly at the top of the communication. Also give the Statement number and home address. *Please do not combine a request for copies of this Statement with a request for College Board score reports.*

Items 1-12. These items are designed to give the colleges a description of the family situation, with particular attention to responsibility for dependents.

Item 9a. Tuition plus fees, 1963-64: List tuition and required educational fees, *excluding* room and board charges, for one year at college or school. Such entries will normally apply only to colleges and private elementary and secondary schools. Public school tuition will be incurred only for out-of-district attendance.

Item 9c. Difference (a less b): Be sure that an accurate total of the difference between tuition and fees minus scholarship and gift aid is entered at the bottom of the column for all children in the family except the applicant.

Item 10. Other dependents receiving financial support from family: If applicable, enter the total amount of financial support from the family in the "total" box. *Be sure to identify the dependents' relationship to the applicant or the Statement will be returned to you.*

Note: One of every three Statements is returned to parents for information which has been omitted or not properly itemized. Among the reasons for returning the Statement are failure to list colleges (Item 13), to make an estimate of income for 1964 (Items 14, 15, and 16), and to explain business expenses (Item 17). To avoid delay in processing the Statement and transmitting copies to colleges, follow instructions carefully.

Item 12. Explain here special circumstances, such as divorce, separation, unemployment, illness, widowhood, special housing problems, etc. Note that the financial aspects of these circumstances must be shown in Items 14 through 29 on the second page of the Parents' Confidential Statement *or they may not be considered.*

If other children plan to attend college, graduate school, elementary or secondary school next year, indicate name of probable college or school, its tuition and required fees, and the amount of scholarship and gift aid expected. If children attend public school out of their district and must pay tuition, please explain circumstances.

Item 13. List the names of all institutions to which the student is applying. The correct four-digit College Code Numbers are given opposite the names of the institutions on the enclosed sheet. *You are responsible for entering the correct Code Number. Incorrect Code Numbers will mean that copies of the Statement will be sent to the wrong institutions.* If the name of any college you wish to receive a copy of the Statement does not appear on the sheet, be sure to list the name of that college. (Note: If the student is applying to an institution under an "Early Decision Plan," you will not receive a list of colleges. In this case, list the college name only. The code number will be inserted for you by the CSS.)

Item 14 Salaries and Wages: Total all income from employers, including bonuses and commissions, before payroll deductions. Do not include reimbursements for business expenses. If the estimated salaries and wages for 1964 are substantially (more than $500) lower or higher than the salaries and wages for 1963, explain in space provided. If income is from several sources, itemize. If actual 1963 figures are not yet available, give your best estimate. *Be sure to include an estimate of income for 1964 or the Statement will be returned to you.*

Item 15 Other Income: Give all other income from whatever sources, including income from dividends, interest, and *gross income* from self-employment or rented property, etc. Also include payments from social security, pensions, child support, state aid, rations and quarters allowances, or aid from friends or relatives. Include also an estimated amount for other nontaxable income such as free rent, food, services, etc. Report in Items 27 and 28 the amount of capital (principal) from which interest or dividends are received.

Item 17 Business expenses: List only those business expenses which are paid from your salary or other income, are not reimbursed, and are allowable as federal income tax deductions. For example, do not include commutation, lunches, etc. Business expenses that are not acceptable federal income tax deductions and that are not itemized will not be considered. *Be certain to itemize in the space provided at the right or the Statement will be returned to you.*

Item 19. Federal income tax: In the first box insert combined parents' total federal income tax paid on 1961 income. In the second box insert combined parents' federal income tax paid on 1962 income. In the third box insert combined parents' total federal income tax paid or estimated to be paid on 1963 income. If none was paid in 1961 and 1962, or if none is estimated to be paid in 1963, write "none." In the appropriate box indicate the total number of exemptions claimed for tax purposes during each of the years listed.

Instructions for completing Parents' Confidential Statement (continued)

Item 20 Annual home expenses: If family pays rent for home, give total annual rent paid plus utilities, heat, and other such expenses. If family home is owned, include mortgage payments, home property taxes, routine repairs, average fuel costs, utilities. Itemize this entry. (Note: If the family owns its home, make appropriate entries in Item 24.)

Item 21 Uninsured medical expenses and insurance premiums paid: Include here only the *sum* of medical and dental expenses not covered by insurance plus cost of annual medical insurance premiums. Itemize and explain at right, giving amounts for each item.

Item 22 Other extraordinary expenses paid: Include here other miscellaneous and emergency home or family expenses. For example: separate maintenance, natural disaster expenses, termite control, tuition of parent if directly connected with work, unreimbursed moving expenses, etc. Itemize and explain at the right, giving amounts for each item. *Do not* include annual payments for major home-appliances and furnishings, car, commutation expenses, household help, medical insurance, retirement plan, state income taxes and other local taxes, church building fund, contributions, etc.

Item 23. Life insurance: Indicate type of insurance (term, GI, group, endowment, straight life, annuity, etc.). The face value is the amount of insurance for which the policy is written. The present loan value, less loans outstanding, is the amount you could borrow on your policy at the present time. *This figure can be obtained from the insurance company.* (Note that face value and loan value are rarely the same amounts.)

Item 24. Home (if owned): Indicate the present market value of your home, not the assessed valuation. Indicate also the amount of fire insurance carried on building only, excluding home furnishings, etc., and the year home was purchased. If home is on a farm, or is part of a business property, enter here only the value of the dwelling; any remaining farm or business property should be included in estimating capital value of these holdings under Item 26.

Item 25 Other real estate: This may be a summer home, building lot, or rental property. In explaining this item, specify the type of real estate and, if it is income-producing, include in Item 15 the total income received and in Item 17 tax deductible business expenses. Do not include here property which is part of your business or farm property. Report these holdings and their value in estimating capital value, Item 26.

Item 26 Capital value of business or farm (except the value of your home) should be used in obtaining these figures. Do not enter figures pertaining to your own business or farm in Items 24 (except home), 25 , 27, 28 , or 29 . If your own business or farm is operated either as a *sole proprietorship or partnership,* enter in the appropriate spaces in Item 26 its total capital value and the dollar value of your share of this capital value. If your own business or farm is *incorporated,* enter in Item 26 its total capital value and in the section concerning your share enter both the present market value of your share of the stock and the per cent of ownership which this stock represents (e.g., $5,000, 25%). Total capital value is obtained as follows:

(a) Total current assets: Add together your business cash, notes and accounts receivable (less a reserve for bad debts), inventories, and other current assets.

(b) Current liabilities: Accounts and notes payable, accrued expenses, etc.

(c) Working capital: Subtract current liabilities from total current assets.

(d) Net fixed assets: Add together the present value of equipment, land and buildings, and other fixed assets; subtract your business mortgage and reserve for depreciation.

(e) Total capital: Add together working capital and net fixed assets. This figure is to be entered in Item 26. In explaining this item give total current assets, current liabilities and net fixed assets. If more than one business is involved, enter a separate total capital figure for each.

(f) Your share of this total capital is also to be entered in Item 26 . Indicate at the right your share of net business or farm profit for the period covered by these figures. This net profit should usually be included in Item 15 as well.

Item 28 Other investments: Include the present market value of stocks, bonds, trusts, or other investments. *Any income from these investments must be included in Item 15*. Itemize nature and amount of holdings. Do not include insurance, savings, or the capital value or stock value shown in Item 26 .

Item 29 Indebtedness: List debts by purpose, showing year incurred, amount currently outstanding and amount to be repaid in 1964 for each debt. Debts for prior educational or medical expenses, for example, should be listed in Item 29 and explained in the space at the right. *Do not* include current bills for normal living expenses, mortgages, auto indebtedness, insurance loans, balance due on installment payments, payments on home appliances or business or farm indebtedness properly considered as a liability in determining Item 26 . Do not list in Item 29 expenses which have already been listed in Items 21 or 22 . Use the space at the right if you must list more than two debts but be sure to show the total where indicated in Item 29 .

Item 30 Student's own assets: List assets the student has in his own name such as bank account, trust fund, inheritance, bonds, real estate, and current cash value of annuities or educational or other insurance policies. *If there are any restrictions on the use of these assets, explain fully and indicate in space provided the amount currently available for college expenses.* In particular, it is important that the terms of educational insurance or trust funds be explained in full. Be sure to enter total assets in the space indicated.

Item 31 Resources for student during 1964-65: Estimate the maximum amount in dollars you can pay toward the student's first-year total college expenses, including tuition, room, board, fees, transportation, clothing, personal expenses, etc. Also estimate and explain fully any financial aid the student may receive from other sources: outside scholarships; relatives, friends, or organizations; government, foundation or veteran grants; family educational insurance policies or his own resources.

Note in this item that provision is made for the student who will live at college, and for the student who will commute to college. If only one of these cases applies, use only the appropriate column. If you are considering both alternatives, complete both columns and explain any differences (due to transportation, room, board, etc.) in the space at the right of the Statement.

PARENTS' CONFIDENTIAL STATEMENT **ACADEMIC YEAR 1964-1965**

Return to

COLLEGE SCHOLARSHIP SERVICE

Box 176, Princeton, New Jersey

or Box 1025, Berkeley 1, California

WORK SHEET

DO NOT RETURN – RETAIN FOR YOUR RECORDS

(Typewrite or print in black ink — do not use blue, blue-black, or other colored inks, or a ball-point pen)

1. Student applicant — Last name / First name / Middle name — Date of birth: Month Day Year — Sex: ☐ M ☐ F — Marital status: ☐ Single ☐ Married

2. Student applicant's home address — Street / City / Zone / State — Parents (check if living): ☐ Father ☐ Stepfather ☐ Mother ☐ Stepmother — Are living parents: ☐ Divorced ☐ Separated

	FATHER OR MALE GUARDIAN		MOTHER OR FEMALE GUARDIAN	
3. Name		Age		Age
4. Home address				
5. Name and address of employer or firm				
6a. Nature of business		Years with firm		Years with firm
6b. Position held				
7. Provision for retirement Check if you participate in	☐ Social Security ☐ Another Plan (name) ☐ Neither		☐ Social Security ☐ Another Plan (name) ☐ Neither	
8. Names of banks at which you have accounts				

9. List here all children, student applicant first. Give specific dollar amounts where requested.

Complete these columns only for children presently attending school or college

Name	Age	Check if dependent for income tax purposes in 1964	Check if living with family	Name of present school, college, or occupation (1963-64)	Year in School	Check appropriate box: Public School	Private School	College	a. Tuition plus fees 1963-64 (exclude room and board)	b. Total amount of scholarship or gift aid, 1963-64	c. Difference (a less b)
Applicant											
Other Children											
										Total column "c"	

Enter applicant's name. ↓

Last name First name Middle name

10. List here other dependents receiving financial support from family. (Do not include those listed in 3 and 9 above.)

Name	Age	Relationship to student applicant	Check if living with family	Check if dependent for income tax purposes in 1964	Estimated amount of total annual support from family
					$
					$
			Total estimated amount of support from family		$

11. Give make and year of all family automobiles. — Present auto indebtedness. $ — If one of these cars is owned or used primarily by the applicant, indicate which.

12. Explain here any special family circumstances the college should know about: See Instructions for examples.

13. List (in any order) colleges with code numbers to which copies of this form are to be sent:

COLLEGE	COLLEGE CODE NO.	COLLEGE	COLLEGE CODE NO.

Enclose check or money order payable to College Scholarship Service: $3 for first college listed and $2 for each additional college.

Amount enclosed $..................

(Print) Student applicant

PARENTS' ANNUAL INCOME AND EXPENSES

		Total 1962	Total 1963	Estimated 1964
14 Salaries and wages before taxes	Mother	$	$	$
	Father			
15 Other income	Mother			
	Father			
16. Gross income (14 plus 15).				
17 Business expenses				
18. Net income before taxes (16 less 17).........................				

19. Federal income tax......	1961 income tax	1962 income tax	1963 income tax	←If none, write "none."
Total Number Exemptions Claimed....				

	Total 1962	Total 1963	Estimated 1964
20 Annual home expenses........			
21 Uninsured medical expenses (include cost of medical insurance)			
22 Other extraordinary expenses paid......................			

PARENTS' ASSETS AND LIABILITIES

23. Life insurance Type:	Annual premium $	Face value $	Amount of insurance loans outstanding $	Present loan value less loans outstanding $
24. Home (if owned)...... Year purchased 19____	Total fire insurance $	a. Present market value $	b. Unpaid mortgage $	Difference (a less b) $
25 Other real estate........	$	$	$	$
26 Total capital value of business or farm....			$	
Your share of business or farm......................................				$
27. Bank accounts (personal saving and checking)..............				$
28 Other investments..				$

29 Indebtedness (exclude mortgage; auto, insurance, appliance loans)

Purpose of debt	Year Incurred	Amount outstanding	To be paid in 1964
		$	$
	Total	$	$

STUDENT'S OWN ASSETS

30 Nature of assets	How obtained	Value
		$
	Total Student Assets	$

RESOURCES FOR STUDENT DURING 1964-65

31 Sources of financial support	If living at college	If commuting to college
a. From parents' income............................	$	$
b. From parents' assets...............................		
c. From student's own assets (30)..............		
d. From student's summer earnings, 1964		
e From other sources................................		
Total...............................	$	$

PARENTS' AUTHORIZATION

We have checked this form for omissions and errors. To the best of our knowledge, the information reported is complete and correct. We authorize its transmittal to the colleges named in Item 13 and its use by the College Scholarship Service as described in the *Instructions* accompanying this form.

Signatures of both parents (or guardian) ______________________

WORK SHEET

Date ______________________

Please retain for your records

CC 63p650—267029

For css use only

D O N O T W R I T E I N T H I S C O L U M N

In the space below explain all circled items.

Item 14 —Itemize sources, explain any major differences ($500 or more) between years 1963 and 1964.

Items 15 17 20 21 22 25 and 28—Itemize and explain.

Item 26 Give total current assets, current liabilities, net fixed assets, and net profit. See Instructions.

Items 29 30 31e —Explain.

IMPORTANT

Record your Statement number here for use in future correspondence ....

Before mailing the Statement, check the following:

Has the Reference Form 1964-1965 been completed?

Has the Parents' Authorization been properly signed?

Are the names of the colleges and their code numbers correctly listed in Item 13?

Is the fee of $3 for the first copy and $2 for each additional copy enclosed?

Has an entry been made or a dash been inserted in each item?

Has each circled item been itemized or explained in accordance with the instructions?

Colleges participating in the College Scholarship Service

The institutions listed below require students who are seeking financial aid for college expenses in the 1964-65 academic year to submit a completed Parents' Confidential Statement. Next to the college names, in most cases, are the dates by which these institutions wish candidates to file the Statement with the College Scholarship Service. A student who applies to more than one college should indicate all his college choices on the Statement and should file it by the earliest of the dates specified by the colleges to which he is applying. Copies of the Statement will be sent to colleges later than the receipt dates they have specified, but under these circumstances a student cannot be sure that he will be considered for financial assistance. To the left of each college name is a four-digit code to be entered in Item 13 of the Statement. Be certain to enter the correct college code or the Statement will be mailed to the wrong institution.

Note: Other colleges, state scholarship programs, and certain sponsored scholarship programs may also require the Statement of some or all of their candidates. Candidates should not, however, request that copies be forwarded until they have been specifically requested to do so by the college or scholarship program. Names and code numbers of these colleges and scholarship programs are not included in this list. After receiving a request to submit a Statement, you should enter only the name of the college, sponsored scholarship program, or state scholarship program; the College Scholarship Service will enter the proper code for you.

Code Number	*College*	*Desired Receipt Date*
2003	Adelphi College	Feb. 6*
2011	Adelphi Suffolk College	April 1*
5002	Agnes Scott College	Feb. 15*
3001	Albertus Magnus College	Dec. 7*
1007	Albion College	Mar. 15*
2004	Albright College	April 20*
5005	Alderson-Broaddus College	No definite date
2005	Alfred University	Mar. 25*
2006	Allegheny College	Feb. 1*
1010	Alma College	Mar. 1
3003	Amherst College	Jan. 15*
5008	Anderson College	Aug. 1
3005	Anna Maria College for Women	Feb. 21*
1017	Antioch College	Feb. 8*
4008	Armstrong College (Calif.)	Sept. 1
4009	Art Center School, The	Mar. 15
1021	Ashland College	Feb. 20
6014	Augsburg College	April 1*
1025	Augustana College (Ill.)	Feb. 22
1027	Aurora College	July 1
6016	Austin College	No definite date*
3075	Babson Institute of Business Administration	April 15
1050	Baldwin-Wallace College	Mar. 20*
1052	Barat College of the Sacred Heart	Jan. 20*
2037	Bard College	Mar. 24*
2038	Barnard College	Jan. 8*
5053	Barry College	Mar. 15*
	Bates College	Feb. 8*
3076	Men	
3077	Women	
2039	Beaver College	Mar. 1*
5055	Belmont Abbey College	Mar. 1*
1059	Beloit College	Consult college literature
2042	Bennett College (N.Y.)	Mar. 8*
3080	Bennington College	Jan. 8
6034	Bethany College (Kans.)	Mar. 15
5060	Bethany College (W. Va.)	Mar. 1*
6037	Bethel College (Kans.)	May 15
6038	Bethel College (Minn.)	Aug. 1
1064	Birmingham-Southern College	Mar. 8
1065	Blackburn College	No definite date*
1067	Bluffton College	April 7
3083	Boston College	Feb. 7*
3087	Boston University	Feb. 15*
3089	Bowdoin College	Mar. 1*
3091	Bradford Junior College	Feb. 8*
1070	Bradley University	Mar. 15
3092	Brandeis University	Feb. 15
2045	Briarcliff College (N.Y.)	Jan. 1
5069	Bridgewater College	May 1
3094	Brown University	Jan. 1*
2049	Bryn Mawr College	Jan. 7*
2050	Bucknell University	Feb. 8*
6047	Buena Vista College	Mar. 15
2072	Caldwell College for Women	Dec. 1
4034	California Institute of Technology	Feb. 15*
4039	California Western University	April 1*
1099	Capital University	Feb. 15
6081	Carleton College	Jan. 25*

Code Number	*College*	*Desired Receipt Date*
2074	Carnegie Institute of Technology	Feb. 15*
1101	Carroll College (Wisc.)	April 1*
1105	Case Institute of Technology	Mar. 1*
3765	Castleton State College	May 15*
2078	Cazenovia College	Mar. 15
2079	Cedar Crest College	Feb. 21*
6087	Central College (Iowa)	No definite date*
4044	Central Washington State College	Mar. 1
1109	Centre College of Kentucky	Mar. 1*
0907	Chaminade College of Honolulu	April 30
4047	Chapman College	Mar. 24
2081	Chatham College	Feb. 15*
2082	Chestnut Hill College	Jan. 15
4049	Chouinard Art Institute	Consult college literature*
4054	Claremont Men's College	Feb. 22*
3279	Clark University (Mass.)	Mar. 1
6099	Clarke College (Iowa)	Jan. 15
2084	Clarkson College of Technology	Feb. 8*
5111	Clemson College	May 1
6101	Coe College	April 1*
5112	Coker College	April 1
3280	Colby College	Feb. 15
3281	Colby Junior College	Jan. 24*
2086	Colgate University	Jan. 25*
3282	College of the Holy Cross (Mass.)	Jan. 25*
4059	College of the Holy Names (Calif.)	Feb. 8
4060	College of Idaho	April 1
1129	College of Mount St. Joseph on the Ohio	Jan. 24
2088	College of Mount St. Vincent	Dec. 8*
2089	College of New Rochelle	Oct. 15*
4063	College of Notre Dame (Calif.)	Feb. 15
5114	College of Notre Dame of Maryland	Jan. 15
6104	College of St. Benedict	Mar. 1
6105	College of St. Catherine	Jan. 24
2090	College of St. Elizabeth	Jan. 8*
6107	College of St. Scholastica	Feb. 1
6108	College of St. Teresa (Minn.)	Mar. 20
6110	College of St. Thomas	April 1*
1133	College of Steubenville	Jan. 20*
1134	College of Wooster	Mar. 15*
4072	Colorado College	Mar. 7*
4076	Colorado Woman's College	April 1*
2093	Columbia College (N.Y.)	Jan. 1
2111	School of Engineering	Jan. 1
5117	Columbia College (S.C.)	Feb. 22*
6113	Concordia College (Moorehead, Minn.)	June 15*
1140	Concordia Teachers College (Ill.)	Sept. 15
3284	Connecticut College	Jan. 8*
5121	Converse College	Feb. 1*
2097	Cooper Union	Aug. 1
6119	Cornell College (Iowa)	Mar. 1*
2098	Cornell University (N.Y.)	Jan. 8*
6121	Creighton University	Mar. 1*
6123	Culver-Stockton College	June 1*
3351	Dartmouth College	Jan. 15*
5150	Davidson College	Jan. 15*
1164	Denison University	Mar. 15*
1165	De Paul University	Feb. 1*
1166	DePauw University	Feb. 20*
2186	Dickinson College	Feb. 1*

*Candidates for the Early Decision Plan should consult the college's literature for desired receipt date.

Colleges participating in the College Scholarship Service (Continued)

Code Number	*College*	*Desired Receipt Date*
6165	Doane College	May 1
4284	Dominican College of San Rafael	Feb. 8
2192	Douglass College	Feb. 1
6168	Drake University	Feb. 20
2193	Drew University	Feb. 28*
2194	Drexel Institute of Technology	Feb. 14*
5156	Duke University	Jan. 1*
5158	Dunbarton College of Holy Cross	Mar. 1
2196	Duquesne University	No definite date
2197	D'Youville College	Feb. 20
1195	Earlham College	Mar. 1
2220	Eastern Baptist College	April 5*
5181	Eastern Mennonite College	June 24
1202	Edgewood College of the Sacred Heart	Jan. 15
2225	Elizabethtown College	Mar. 15
1204	Elmhurst College	Feb. 22
2226	Elmira College	Feb. 15
3367	Emerson College	Mar. 8
3368	Emmanuel College (Mass.)	Mar. 1
5187	Emory University	April 1*
1206	Eureka College	No definite date*
3390	Fairfield University	Feb. 21
	Fairleigh Dickinson University	
2262	Madison campus	April 23
2255	Rutherford campus	April 23
2263	Teaneck campus	April 23
2257	Fashion Institute of Technology	Mar. 1
1222	Ferris Institute	Feb. 20
1224	Fisk University	June 15
5219	Florida State University	Mar. 1
6216	Fontbonne College	Feb. 1
2259	Fordham University	Feb. 1*
1228	Franklin College of Indiana	Mar. 8*
2261	Franklin and Marshall College	Mar. 1*
5222	Furman University	Feb. 8*
2270	Gannon College	Mar. 15
2273	Geneva College	April 1
5244	Georgetown University	Feb. 23*
1248	George Williams College	No definite date
5248	Georgia Institute of Technology	Mar. 1
2274	Georgian Court College	Jan. 23*
2275	Gettysburg College	Feb. 1*
3416	Goddard College	July 1
4330	Gonzaga University	Feb. 15*
2276	Good Counsel College	Nov. 1
3417	Gordon College	Mar. 1*
1251	Goshen College	Mar. 20
5257	Goucher College	Jan. 15*
1256	Greenville College	No definite date
6252	Grinnell College	Mar. 15*
2277	Grove City College	Mar. 5*
6253	Gustavus Adolphus College	April 1
2286	Hamilton College	Mar. 1*
6265	Hamline University	No definite date
5291	Hampden-Sydney College	April 1
2288	Hartwick College	Mar. 1*
3434	Harvard College	Dec. 15
4341	Harvey Mudd College	Feb. 22*
2289	Haverford College	Jan. 15*
1292	Heidelberg College	Mar. 1*
5293	High Point College	June 1
1297	Hiram College	Mar. 15*
2294	Hobart College	Mar. 1*
2295	Hofstra University	Feb. 15*
5294	Hollins College	Jan. 8*
2297	Holy Family College (Pa.)	Jan. 24
4344	Holy Names College (Wash.)	Mar. 1
5296	Hood College	Feb. 12*
1301	Hope College	April 20
1302	Howard College (Ala.)	Aug. 1
6280	Huston-Tillotson College	Aug. 5
1315	Illinois College	No definite date
1318	Illinois Institute of Technology	Feb. 1

Code Number	*College*	*Desired Receipt Date*
1320	Illinois Wesleyan University	No definite date*
2320	Immaculata College	Dec. 20
4357	Immaculate Heart College	Feb. 20
2652	Indiana State College (Pa.)	Mar. 15*
1324	Indiana University	Mar. 24
2324	Iona College	Feb. 21*
6308	Iowa Wesleyan College	July 15*
3464	Jackson College (Mass.)	Mar. 1*
1342	John Carroll University	April 8
5332	Johns Hopkins University	Mar. 1*
2341	Juniata College	Mar. 1*
1365	Kalamazoo College	Mar. 1
1367	Kent State University	No definite date
1370	Kenyon College	Mar. 1*
2350	Keuka College	July 1
2351	Keystone Junior College	May 8
1371	King College (Tenn.)	May 15
1372	Knox College	Mar. 15*
2360	Ladycliff College	Feb. 15
2361	Lafayette College	Mar. 1*
5362	LaGrange College	No definite date*
1391	Lake Erie College	Mar. 1
1392	Lake Forest College	Mar. 25*
1393	Lakeland College	May 15
4381	La Verne College	Mar. 23*
1398	Lawrence College	Feb. 15
2364	Lebanon Valley College	April 25*
2365	Lehigh University	Jan. 15
4384	Lewis and Clark College	Mar. 1
6367	Lindenwood College for Women	Mar. 1
4387	Linfield College	Mar. 15
2369	Long Island University	Mar. 1
4390	Loretto Heights College	Feb. 15
1412	Loyola University (Ill.)	Feb. 15
4403	Loyola University of Los Angeles	Feb. 15*
6375	Luther College	No definite date*
2372	Lycoming College	Mar. 25*
5372	Lynchburg College	Mar. 15*
6390	Macalester College	Mar. 15*
1435	MacMurray College	April 15*
2395	Manhattan College	Feb. 20*
2397	Manhattanville College of the Sacred Heart	Feb. 8*
1444	Marietta College	Mar. 15*
1448	Marquette University	Feb. 17
5397	Mary Baldwin College	Feb. 15*
6397	Marycrest College	April 15*
4480	Marylhurst College	Mar. 1
6398	Marymount College (Kans.)	Mar. 18
2406	Marymount College (N.Y.)	Jan. 31*
2405	Marymount Manhattan College	Jan. 3*
5398	Mary Washington College of the University of Virginia	Mar. 1
2407	Marywood College	Jan. 8*
3514	Massachusetts Institute of Technology	Jan. 6
5408	Medical College of Virginia	April 25*
4483	Menlo College	Mar. 25*
2410	Mercyhurst College	Consult college literature
1465	Michigan State University	Nov. 30*
	Middlebury College	Jan. 15*
3526	Men	
3527	Women	
1469	Milligan College	Aug. 1
1470	Millikin University	April 1
4485	Mills College	Feb. 15*
2413	Mills College of Education	April 21*
1474	Milwaukee-Downer College	Mar. 1*
1484	Monmouth College (Ill.)	No definite date*
2416	Monmouth College (N.J.)	No definite date
2520	Montclair State College	No definite date
1485	Monticello College	July 1

*Candidates for the Early Decision Plan should consult the college's literature for desired receipt date.

Colleges participating in the College Scholarship Service (Continued)

Code Number	*College*	*Desired Receipt Date*
2417	Moore College of Art	April 25
2418	Moravian College	April 1*
6415	Morningside College	April 1*
3529	Mount Holyoke College	Jan. 8*
6417	Mount Mercy College (Iowa)	Feb. 21
2421	Mount Mercy College (Pa.)	Jan. 24*
5420	Mount St. Agnes College	Feb. 10*
3531	Mount St. Mary College (N.H.)	Feb. 1
4493	Mount St. Mary's College (Calif.)	Feb. 15
1492	Mount Union College	Mar. 1*
5422	Mount Vernon Junior College	Mar. 1
2424	Muhlenberg College	Jan. 1*
1493	Mundelein College	Jan. 31*
1496	Muskingum College	Mar. 1*
3655	Nasson College	May 1*
1551	National College of Education	No definite date*
2511	Nazareth College of Rochester	Mar. 1*
2517	Newark State College	May 24
3664	Newton College of the Sacred Heart	Feb. 10*
2562	New York University	Jan. 1*
5496	North Carolina State College	Feb. 1
1555	North Central College	April 1
5497	North Georgia College	May 26
1556	North Park College and Theological Seminary	May 1
3667	Northeastern University	Feb. 1*
4540	Northrop Institute of Technology	Consult college literature
4544	Northwest Nazarene College	Mar. 1
1565	Northwestern University	Jan. 24*
3669	Norwich University	April 1*
2559	Notre Dame College of Staten Island	Nov. 20*
1497	Oakland University	May 1
1587	Oberlin College	Mar. 1*
4581	Occidental College	Mar. 1*
5521	Oglethorpe University	April 15
1591	Ohio Northern University	Feb. 1*
1592	Ohio State University, The	Mar. 1
1594	Ohio Wesleyan University	Jan. 15
6547	Ottawa University (Kans.)	Aug. 15
1597	Otterbein College	April 15
1599	Our Lady of Cincinnati College	Jan. 15
6550	Our Lady of the Lake College	April 15
2635	Pace College	Mar. 20
4597	Pacific Lutheran University (Wash.)	Mar. 1
4601	Pacific University (Ore.)	April 15
6575	Parsons College	No definite date
4605	Pasadena College	Sept. 12
2518	Paterson State College	April 1
0703	Peabody Conservatory of Music	Mar. 15
3688	Pembroke College in Brown University	Jan. 15*
2642	Pennsylvania Military College	Mar. 1
2660	Pennsylvania State University, The	Feb. 20
2666	Philadelphia College of Textiles and Science	June 30*
2664	Philadelphia Museum College of Art	April 15
3689	Pine Manor Junior College	April 1*
2668	Polytechnic Institute of Brooklyn	Mar. 1*
4607	Pomona College	Feb. 15*
2070	C. W. Post College	April 15*
2669	Pratt Institute	Feb. 22
2672	Princeton University	Jan. 1
1630	Principia College	Feb. 1*
3693	Providence College	April 1*
5560	Queens College (N.C.)	Mar. 1
3722	Radcliffe College	Jan. 6*
5567	Randolph-Macon Woman's College	Feb. 1*
4654	Reed College	Feb. 21
3723	Regis College (Mass.)	Feb. 15*
5568	Reinhardt College	May 15

Code Number	*College*	*Desired Receipt Date*
2757	Rensselaer Polytechnic Institute	Jan. 25
3726	Rhode Island School of Design	Mar. 8
6609	Rice University	Jan. 25
2758	Rider College	Mar. 15
1664	Ripon College	April 1*
5571	Roanoke College	Mar. 15*
2760	Rochester Institute of Technology	April 1
1665	Rockford College	Feb. 23
6611	Rockhurst College	Mar. 15
4660	Rocky Mountain College	No definite date
5572	Rollins College	Mar. 1
1666	Roosevelt University	Feb. 8
1667	Rosary College	Jan. 8*
2762	Rosary Hill College	Feb. 20*
2763	Rosemont College	Feb. 21
1668	Rose Polytechnic Institute	Mar. 1
	Rutgers, The State University	
2092	College of South Jersey	Feb. 1
2192	Douglass College	Feb. 1
2512	Newark College	Feb. 1
2765	Rutgers College	Feb. 1
1685	Sacred Heart College (Ala.)	June 1
6617	St. Ambrose College	Aug. 20*
5214	St. Andrews Presbyterian College	May 21*
3748	St. Anselm's College	Mar. 1
6618	St. Benedict's College	Feb. 20*
1689	St. Bernard College	May 31
2796	St. Francis College (N.Y.)	Mar. 25
2797	St. Francis College (Pa.)	Feb. 3*
1696	St. John College of Cleveland	No definite date
2798	St. John Fisher College	Feb. 20*
5598	St. John's College (Md.)	No definite date*
6624	St. John's University (Minn.)	Mar. 20
3754	St. Joseph College (Conn.)	Feb. 1
5599	St. Joseph College (Md.)	Dec. 15
1697	St. Joseph's College (Ind.)	April 15
2801	St. Joseph's College (Pa.)	No definite date
2805	St. Lawrence University	Mar. 1*
6629	St. Louis University	Feb. 1
1704	St. Mary-of-the-Woods College	Feb. 1*
4675	St. Mary's College (Calif.)	April 7
1702	St. Mary's College (Ind.)	Feb. 20*
6632	St. Mary's College (Minn.)	Jan. 15*
6633	St. Mary's Dominican College	Mar. 15
1706	St. Norbert College	No definite date
6638	St. Olaf College	April 1*
1707	St. Procopius College	No definite date
2808	St. Vincent College	Feb. 1
1708	St. Xavier College	Jan. 15*
5607	Salem College (N.C.)	No definite date*
2810	Sarah Lawrence College	Jan. 21
1713	School of the Art Institute of Chicago	No definite date
4693	Scripps College	Feb. 23
4694	Seattle Pacific College	Mar. 25
2812	Seton Hill College	Feb. 1*
5613	Shenandoah College and Conservatory	July 7
1717	Shimer College	No definite date
2814	Siena College (N.Y.)	No definite date
3761	Simmons College	Feb. 1*
6650	Simpson College	June 1*
2815	Skidmore College	Feb. 21*
3762	Smith College	Jan. 8*
1730	Southwestern at Memphis	Feb. 15
6674	Southwestern University	April 15
3763	Springfield College	Mar. 1
1733	Spring Hill College	May 15
4704	Stanford University	Feb. 8
2532	State University of New York at Albany	April 15
2925	State University of New York at Buffalo	Mar. 1

*Candidates for the Early Decision Plan should consult the college's literature for desired receipt date.

Colleges participating in the College Scholarship Service (Continued)

Code Number	*College*	*Desired Receipt Date*
2522	State University of New York—Agricultural and Technical Institute at Alfred	May 31
2533	State University College at Buffalo	April 15
2538	State University College at Cortland	No definite date*
2542	State University College at Oneonta	April 1
2530	State University College of Forestry at Syracuse University	April 1*
6683	Stephens College	Mar. 15
5630	Stetson University	April 1*
2819	Stevens Institute of Technology	Feb. 7*
2820	Susquehanna University	No definite date*
2821	Swarthmore College	Feb. 8
5634	Sweet Briar College	Feb. 1*
2823	Syracuse University	Feb. 7*
1802	Taylor University	No definite date
2906	Temple University	Feb. 15
1805	Tennessee Wesleyan College	July 1
2910	Thiel College	Mar. 1*
1808	Transylvania College	April 1
3899	Trinity College (Conn.)	Feb. 8*
5796	Trinity College (D.C.)	Jan. 30*
6831	Trinity University	Mar. 1*
3901	Tufts University	Mar. 1*
6832	Tulane University	Feb. 21*
6471	Newcomb College	Feb. 21*
2920	Union College (N.Y.)	Feb. 15*
3914	University of Bridgeport	May 1
	University of California	
4833	Berkeley campus	Feb. 1
4834	Davis campus	Feb. 1
4837	Los Angeles campus	Feb. 15
4839	Riverside campus	Feb. 1
4835	Santa Barbara campus	Feb. 1
1832	University of Chicago	Jan. 8*
1833	University of Cincinnati	Feb. 15
4841	University of Colorado	Jan. 15
3915	University of Connecticut	Mar. 25
1834	University of Dayton	Dec. 1
4842	University of Denver	Mar. 1
6869	University of Dubuque	Mar. 15
5812	University of Florida	Feb. 15*
5813	University of Georgia	Consult college literature
3436	University of Hartford	April 1*
6872	University of Kansas City	Mar. 8
3916	University of Maine	Feb. 20
3917	University of Massachusetts	Feb. 24
1839	University of Michigan	Jan. 25
3918	University of New Hampshire	Mar. 3*
4845	University of New Mexico	April 1
1841	University of Notre Dame	Feb. 20
4065	University of the Pacific (including Raymond and Covell Colleges)	Feb. 21
2926	University of Pennsylvania	Jan. 1
2927	University of Pittsburgh	Mar. 8
4847	University of Portland	Feb. 21*
4067	University of Puget Sound	Feb. 15*
4848	University of Redlands	Mar. 1*
3919	University of Rhode Island	Mar. 15
2928	University of Rochester	Jan. 15*
4850	University of San Francisco	Feb. 1
4851	University of Santa Clara	Feb. 15
2929	University of Scranton	Mar. 1
1842	University of the South	Feb. 15
4852	University of Southern California	Feb. 22
6882	University of Texas	Mar. 7
1845	University of Toledo	Feb. 1*
3920	University of Vermont	Feb. 21
5820	University of Virginia	Feb. 15*
4854	University of Washington	Feb. 15
1846	University of Wisconsin—Madison (and Centers)	Feb. 21
1473	University of Wisconsin—Milwaukee	Feb. 22
4856	Upland College	May 31
2930	Upsala College	Mar. 1*
2931	Ursinus College	Feb. 21*
1848	Ursuline College for Women (Ohio)	Feb. 14
1874	Valparaiso University	Mar. 1
1871	Vanderbilt University	Jan. 1*
2956	Vassar College	Jan. 15*
1895	Wabash College	Mar. 24*
2966	Wagner College	Jan. 25*
5885	Wake Forest College	Jan. 1
6925	Waldorf College	No definite date
6926	Wartburg College	April 1*
5888	Washington College	Jan. 24
2967	Washington and Jefferson College	Mar. 15
5887	Washington and Lee University	Jan. 23
4705	Washington State University	Feb. 15
6929	Washington University (Mo.)	Feb. 1
2969	Waynesburg College	May 1*
1898	Wayne State University	Consult college literature
6933	Webster College	Feb. 15
3957	Wellesley College	Dec. 20*
2971	Wells College	Feb. 1*
5895	Wesleyan College	Mar. 1
3959	Wesleyan University	Feb. 1*
5900	West Georgia College	July 1
1899	Western College for Women	Jan. 25*
1903	Western Reserve University	Mar. 1
4947	Western Washington State College	Feb. 24
6936	Westmar College	May 1*
2975	Westminster College (Pa.)	Mar. 1*
4948	Westminster College (Utah)	Mar. 24
4950	Westmont College	Dec. 15* April 1
1905	Wheaton College (Ill.)	May 15
3963	Wheaton College (Mass.)	Jan. 15*
5906	Wheeling College	Feb. 15
4951	Whitman College	Feb. 15*
4952	Whittier College	Mar. 1
4953	Whitworth College	Feb. 20
4954	Willamette University	Mar. 1
3965	Williams College	Feb. 1
2978	William Smith College	Mar. 1
6944	William Woods College	No definite date
1909	Wilmington College (Ohio)	No definite date*
2979	Wilson College	Mar. 1*
5908	Wingate College	No definite date
1922	Wittenberg University	Mar. 20*
5912	Wofford College	Feb. 15
5252	Woman's College of Georgia, The	June 1
3969	Worcester Polytechnic Institute	Feb. 15
3987	Yale University	Jan. 1
2990	Yeshiva University	April 1*

*Candidates for the Early Decision Plan should consult the college's literature for desired receipt date.

Financing a college education
A guide for counselors

College Scholarship Service

The College Scholarship Service, in which more than 475 colleges and universities participate, is an activity of the College Entrance Examination Board. The College Board is a nonprofit membership association of colleges and universities, secondary schools, and other educational associations. Operational services for the College Scholarship Service are performed by Educational Testing Service.

A maximum of five complimentary copies of this booklet may be obtained by secondary schools on request. Additional copies may be ordered from the College Scholarship Service, Box 176, Princeton, N. J., or Box 1025, Berkeley 1, Calif. The cost of additional copies is $.25 each.

What counselors can do

Counselors are being asked increasingly by students and their parents for advice on how to pay for a college education. The following pages describe the sources of various kinds of financial aid, the work of the College Scholarship Service, and how a student's financial need is estimated by colleges that participate in the CSS.

Most students who seek advice on financing a college education have already decided to go to college. Supplying these students with information or guiding them to it is certainly a valuable service. But counselors can be of even greater service by helping the student who does not plan to attend college because he believes he cannot afford it.

Students like these are a major challenge to the school counselor. He can give them confidence that through their own initiative and the help of various kinds of aid—scholarships, loans, and jobs—they too can attend college. This task is arduous and at times frustrating but the effort, when it succeeds, is more than justified by the rewards to the student.

Many students from families of very modest means *do* attend college today. They are proof that with encouragement and adequate information about financing a college education, a student can overcome the most severe economic handicaps.

The question of what academic abilities and personal characteristics students need to qualify for financial aid from colleges and sponsored scholarship programs is not discussed here, since each college has its own way of evaluating these characteristics.

A further complication is the growing trend toward offering aid, particularly loans and jobs, to students who can meet only the basic academic requirements for admission. Colleges now regard financial aid as the help that makes it possible for any able student to attend college, rather than as a prize for outstanding achievement.

Who pays for college?

Funds for college come, typically, from three sources: the student himself, his parents, and one or more of the public and private agencies that provide financial assistance. A comprehensive study made recently indicates that, on the average, students use their own savings and earnings to pay for almost 25% of their college expenses. Parents pay from 40 to 50% of the expenses from their current incomes and another 10 to 15% from family savings and loans; scholarships provide only 10 to 20% of total college expenses.

What the student can do for himself

Since the student is the one who gains the many benefits of higher education, he should assume at least part of the responsibility for paying his college expenses. A student has two important resources for meeting the expenses of his higher education. On the one hand he can save and borrow for his college expenses. And on the other he can control those expenses to a considerable extent by choosing a college where expenses are low.

Given these opportunities, no student should find it impossible to attend college because of limited finances alone. Even students who must help support their families are often able to continue their education beyond high school. Jobs and loans are the most readily available kinds of financial aid and virtually every college can either provide them itself or help the student locate them. In talking with students, counselors cannot stress too much the importance of all these resources—which are within the grasp of all students, even those from the lowest income families.

Student employment

Aid officers expect students who are receiving financial aid from the college to work and save during the summer to pay part of their educational expenses. The amount that is expected from summer earnings varies from college to college, but some typical savings for men are: $300 before the freshman year,

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$350 before the sophomore year, and $400 before the junior and senior years. Typical savings expected from women's earnings are: $200 before the freshman year, $250 before the sophomore year, and $300 before the junior year and the senior year. The student's age, health, family financial circumstances, area of residence, and long-range vocational plans all affect the amount he can earn. In any case, the student should try to find well-paid summer jobs.

Students who need financial help can also work while attending college, either on the campus or in the college community. In fact, some institutions expect each student who receives financial help from the college to work during the academic year. They frequently guarantee the student a term-time job—that pays a specified amount—in a dining hall, library, or administrative office of the college. Colleges consider these jobs to be a form of financial aid.

A student who is not offered a guaranteed job by the college prior to beginning his freshman year should contact the job placement bureau; most campuses have one. This bureau provides detailed information about employment during the term, both on the college campus and in the community. The college will help the student determine how much term-time employment he should undertake.

Several institutions have their own particular programs of student self-help. There are cooperative plans that enable some or all of the students to work during a portion of the year in a field related to their courses of study. There are "room and board jobs" in which the student lives with a local family and receives free room or free board or both in return for doing household chores. And there are cooperative houses where students may live and prepare their own meals, thereby reducing college living expenses.

Student savings

Many students accumulate savings through gifts, school prizes, and earnings during their high school years. Colleges often expect the students they aid to use their savings to pay part of their college expenses. They suggest that a student prorate his savings over all the undergraduate years, rather than apply them only to his freshman year. Some colleges expect each student who receives aid to have a minimum amount saved (not including money earned the summer before college) that may be used for educational expenses. The amount varies from college to college and will depend, of course, on each student's financial circumstances.

Student loans

Borrowing for college is still another way a student can help himself. Long-term, low-interest loans have become an important auxiliary method of financing a college education. The American public is accustomed to buying many things on credit. Now, through an increasing number of loan programs, more students will be able to afford higher education as well.

The first place a student should apply for a loan is to a college or university—these institutions administer most of the loan funds available to students. A student with financial need may borrow money from the college's own revolving loan funds at a low interest rate of 1 to 4 per cent; he repays the college after completing his undergraduate or graduate studies. Some colleges cancel part of a student's loan if he enters a certain profession, such as teaching, the ministry, or social work. Counselors may obtain specific information about college loan programs from the literature published by colleges and from college aid officers.

In addition to long-term, low-interest loans many colleges also offer short-term loans to students to meet financial emergencies. The short-term loan usually carries a slightly higher rate of interest than the long-term one and is usually repayable within a year's time.

The largest single source of student loan funds is the National Defense Student Loan Program. By the end of the 1961-62 academic year, the nearly 1,500 colleges and universities that were administering this program had lent $219.7 million to some 363,463 full-time enrolled students. Under the program, colleges give special consideration to students who wish to prepare for careers in science, mathematics, engineering, modern foreign languages, and teaching. Loans under the National Defense Education Act are awarded on the basis of financial need.

A student begins paying back a National Defense

Student Loan after he completes his education and his military service; he may take as long as 10 years altogether. There is no interest charge until the student is required to begin repaying his loan. Then a 3 per cent charge is applied to the principal or, if he has reduced the loan ahead of schedule, to the unpaid balance. The 3 per cent interest charge continues on the decreasing balance until the loan has been paid off. Students who become public elementary or secondary school teachers have 10 per cent of their loans cancelled for each consecutive year they teach, up to a maximum cancellation of 50 per cent.

A growing number of states have guaranteed loan programs for students who are legal residents, thereby making it easier and often less expensive to borrow for education. States that already have educational loan programs include: Connecticut, Maine, Massachusetts, Michigan, New Hampshire, New Jersey, North Dakota, New York, Ohio, Rhode Island, South Dakota, Virginia, Wisconsin, and Wyoming.

Though there are wide variations in these programs, all provide for long-term loans to be made directly to students. Loans under these programs are most frequently administered by commercial banks. A counselor should consult his state education department for specific information about an existing or proposed program.

Many civic, educational, religious, and labor groups also provide long-term, low-interest loans for students. The counselor should try to familiarize himself with the terms of all these loan programs and make the information available to students in need of financial assistance.

The deferred payment plans, and loans, of many colleges help those parents who wish to spread the costs of higher education more evenly and often over a longer period of time. Monthly payments are possible at a number of colleges and universities—usually at a slight additional cost. Since the plans vary widely from college to college, counselors should urge parents to find out what kind of plan, if any, exists at the college their child is interested in and what it costs. The college financial aid officer or the admissions officer can usually supply this information.

An increasing number of banks, insurance companies, and finance corporations are lending funds for educational purposes to parents or, in a few instances, directly to students. These loans are usually made without regard to an applicant's financial need, and their terms and rates of interest are similar to most consumer loans for automobiles, major appliances, and furniture. Commercial loan programs, because they must make a profit, have a higher rate of interest than those operated by colleges, states, and educational and philanthropic organizations. They should therefore be recommended to students who have little, if any, financial need. Needy students who have been unsuccessful in obtaining less expensive educational loans may also find commercial loans necessary.

Since it is difficult to generalize about the many types of commercial loan programs, counselors should urge parents to read carefully the information these agencies distribute and to seek expert advice on such matters as: dollar costs, interest rates, cancellation and insurance privileges.

The school and the college can bring these various loan programs to a student's attention, but the student must take advantage of the opportunities himself. Students should not be afraid to borrow for their education, nor should counselors be reluctant to encourage their students to do so.

What is expected of parents

A college student's most important source of financial help is his parents. Some families, of very modest means, can give only moral support, but most give substantial financial help as well. Recent studies indicate that most parents have only a vague idea how much a college education costs today. And many do not know how much they should pay toward their son's or daughter's educational expenses. Some parents do not wish to contribute as much as their financial circumstances indicate they should.

Colleges are eager to help parents meet educational expenses, but they expect each family to pay as much as it can reasonably afford and at least as much as other families in similar financial circumstances. They expect a family to draw on both its current income and its accumulated assets.

Parents who seek financial help from colleges or from private or public agencies are often asked to supply detailed information, in confidence, about their financial situation. The school counselor can help parents understand that colleges require family financial data so that they can distribute their limited funds fairly to all qualified candidates. A counselor can also help families make realistic plans to pay for college by giving them up-to-date information on college expenses. This would include reasonable estimates of a student's incidental and personal expenses, not just tuition, room and board, and other required fees.

What part scholarships play

Scholarships are the most sought-after type of assistance and, because of that, the most difficult to obtain. Scholarships, and the other forms of financial aid, are being awarded increasingly to help able students who could not otherwise attend college, rather than just to reward or attract particularly talented students.

Colleges are the first source to which students should apply for scholarships. They not only provide the largest number of scholarships themselves, they are also the best source of information about scholarships awarded by non-college sponsors. Colleges are beginning to publish a considerable amount of information about their financial aid programs and the characteristics of students who receive aid; counselors will find it useful in helping the individual students select colleges that might come close to meeting their financial needs.

Each college, however, must balance its students' needs against the resources the institution has available. A college may offer only part of its financial aid in the form of scholarships. The rest may be offered in the form of loans and jobs. Some students may receive a scholarship, others a loan, and still others a job; frequently students receive combinations of these. For example, the student who still needs $1,200 a year after a college has determined how much he and his parents can contribute, may receive from his college a $500 scholarship, a $400 loan, and a $300 job.

Among the non-college agencies that offer scholarships to students are communities, states, foundations, corporations and business firms, unions, religious organizations, clubs, and civic and cultural groups. Some programs, particularly those involving national competitions, award scholarships of varying amounts; others give fixed and usually smaller amounts. The school, parents, colleges, and local civic groups can sometimes help a student learn about these sponsored scholarship programs.

A counselor will find information useful to the students he advises in the publications listed on the last pages of this booklet or in descriptions of non-college financial aid programs. The counselor will, of course, want to encourage needy students to investigate those programs for which they may be eligible, to read the materials distributed by them, and to complete the necessary application forms.

The College Scholarship Service

A school counselor is often asked to describe the financial aid practices of a great many colleges and to explain how they select their aid recipients. The following description of the College Scholarship Service will help him understand the financial aid policies of a large number of institutions—the more than 475 that participate in CSS.

In 1954, the College Entrance Examination Board established the College Scholarship Service to help colleges and sponsors of scholarship programs develop and improve their financial aid programs. The principal aim of CSS has been to encourage the equitable distribution of financial aid so that the students with the greatest need receive the most assistance.

Through annual and regional conferences sponsored by the CSS, colleges meet to discuss their common problems and their individual aid policies. They are kept informed of the findings made in CSS-sponsored research on student financial aid. And, through a variety of publications, college officers learn how to improve the administration of their own aid programs and what is happening in institutional and governmental financial aid programs.

The College Scholarship Service fosters cooperation between colleges and between schools and colleges on financial aid matters. It helps individual colleges coordinate their financial aid efforts. And it attempts to inform the public about financial aid programs, current educational costs, and college aid practices. At the same time, it urges able students to go to college, without regard to their financial limitations. The CSS does *not* itself award any financial aid to students.

Principally, the CSS acts as a clearinghouse for the family financial information that all participating institutions and some non-collegiate sponsors require of their financial aid applicants. The CSS believes that students should be selected for financial aid according to their previous academic achievement and their promise of success in college, but that the size of the awards should be determined by their financial need.

This has the effect of extending aid to a larger number of students and of giving more adequate help to the students with greatest need. The colleges that participate in the CSS also believe that each student's need should be determined by evaluating his family financial circumstances in a fair and uniform manner.

The Parents' Confidential Statement

Since parents, on the average, provide the most financial support for their child's college expenses, the amount that each family can reasonably afford must be carefully determined. To help colleges make this determination, the College Scholarship Service publishes and distributes a Parents' Confidential Statement that is required by all CSS participants of applicants for financial aid. On the Parents' Confidential Statement the parents enter family information and financial data that is pertinent to their son's or daughter's application for aid. They include an estimate of the amount of financial support they expect to provide toward his or her annual college expenses. By giving detailed and accurate information, parents help the colleges do a better job of determining the family's financial strength; they can then make decisions that are fair to the individual applicant and to the student body as a whole.

The CSS distributes Parents' Confidential Statements to high schools throughout the country and urges counselors to distribute them to all qualified college candidates who may be interested in applying for financial assistance from colleges that participate in the CSS. By placing these forms in the schools, the CSS hopes to encourage all able students, however modest their economic circumstances, to take advantage of financial aid opportunities that are available. In some colleges the Parents' Confidential Statement is used as the formal application for aid; but in most colleges, it is only one of the forms required of aid applicants. In all colleges, the application forms for aid must be accompanied, or preceded, by a formal application for admission.

Many colleges that do not participate in the CSS are pleased to receive the Parents' Confidential Statement and find it useful in evaluating a student's need. The student should write directly to the colleges of his choice and request their specific requirements for filing applications for admission and financial aid. A list of the participating colleges, with the dates by which they wish the College Scholarship Service to receive a copy of the completed Parents' Confidential Statement, accompanies each form.

The parents of a student who is applying for aid should complete and submit only *one* copy of the Parents' Confidential Statement. They retain the worksheet copy for themselves and send the master copy to the CSS. (The appropriate mailing address appears on the PCS itself.) At the CSS the Parents' Confidential Statement is reviewed for completeness and consistency of information; if errors or omissions are found, it is returned to the parents. By reading the instructions carefully and completing the form accurately, therefore, parents will avoid subsequent work and prevent delays.

After processing the PSC, the College Scholarship Service prepares an estimate of the amount that the parents can reasonably afford for college expenses from both their income and their assets, an estimate of what the student can provide from his own assets, and an estimate of the student's financial need at each of the colleges to which he is applying for assistance. The CSS sends these estimates, and photographic copies of the PCS, to the colleges that were listed on it by the applicant's family. The estimates of financial need made by the CSS merely serve as guides to the college aid officer. *It should be emphasized that each college finally decides the extent of an applicant's financial need and the amount of aid he will be offered.*

The form instructs parents to enclose $3 for the first copy and $2 for each additional copy of the Parents' Confidential Statement that is made and sent to a college by the CSS. Additional copies of the PCS will be sent to other colleges by sending the names of these additional colleges to the College Scholarship Service with $2 for each copy requested.

If the family's finances change markedly after the Parents' Confidential Statement is submitted—but before the student has accepted admission to a college—the parents should notify the CSS, which will then inform all colleges to which copies of the PCS have been sent.

Figure 1. Normal annual parents' support for college expenses from income —CSS procedure

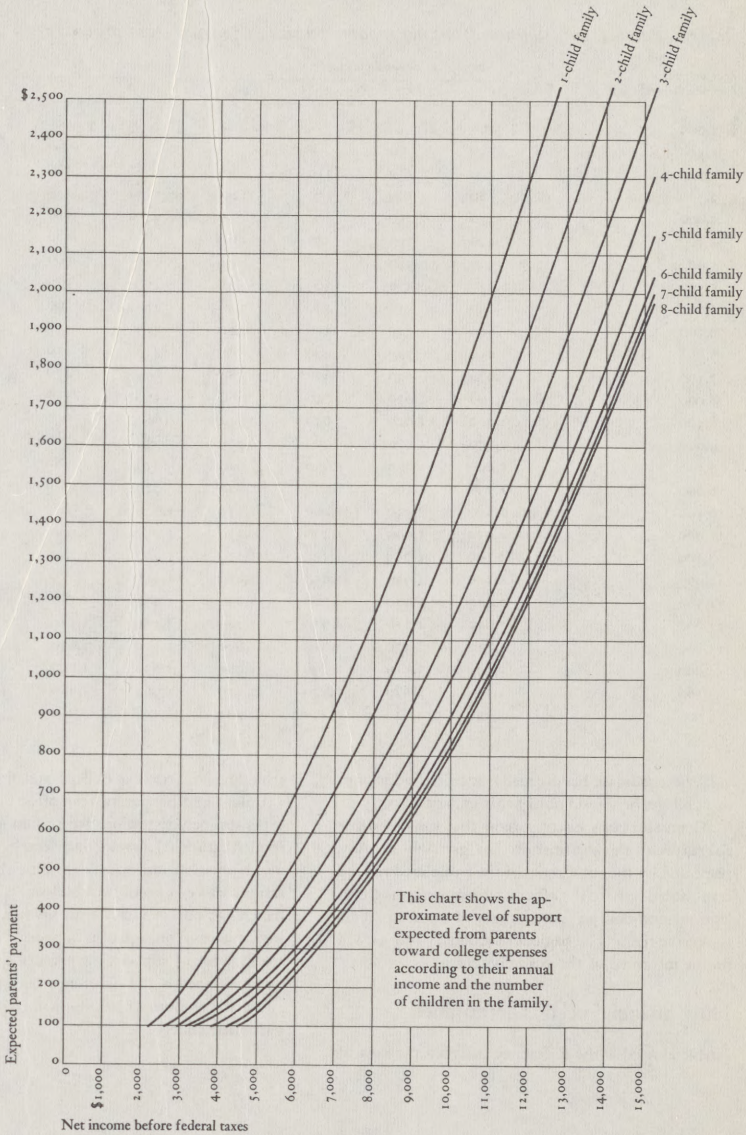

Table 1. Parents' contribution from net income by size of family —css *procedure*

Net income (before federal tax)	Number of dependent children 1	2	3	4	5	6	7	8
$ 2,000	$ 90	$ —	$ —	$ —	$ —	$ —	$ —	$ —
2,500	140	90	—	—	—	—	—	—
3,000	200	130	110	90	—	—	—	—
3,500	280	190	150	120	100	—	—	—
4,000	350	250	190	160	140	110	—	—
4,500	440	320	240	210	180	150	120	100
5,000	530	390	300	250	220	190	160	140
5,500	630	470	360	310	260	240	210	190
6,000	730	550	430	370	310	290	270	240
6,500	840	640	510	420	370	340	320	310
7,000	950	720	590	500	430	410	390	370
7,500	1,070	830	670	580	500	470	450	440
8,000	1,190	930	750	660	570	540	520	510
8,500	1,320	1,040	850	740	660	620	590	580
9,000	1,450	1,160	950	830	740	700	670	660
9,500	1,600	1,270	1,050	920	830	780	760	740
10,000	1,730	1,390	1,170	1,020	920	870	840	830
10,500	1,880	1,530	1,280	1,130	1,030	970	940	930
11,000	2,030	1,660	1,400	1,230	1,130	1,070	1,030	1,020
11,500	2,180	1,780	1,530	1,350	1,230	1,160	1,130	1,120
12,000	2,320	1,930	1,650	1,470	1,340	1,280	1,240	1,230
12,500	2,480	2,070	1,780	1,600	1,460	1,380	1,350	1,340
13,000	2,650	2,210	1,910	1,720	1,580	1,510	1,460	1,450
13,500	2,820	2,370	2,060	1,850	1,710	1,630	1,580	1,570
14,000	2,990	2,510	2,190	1,980	1,830	1,740	1,700	1,690
14,500	3,160	2,680	2,320	2,120	1,960	1,880	1,830	1,810
15,000	3,340	2,840	2,470	2,260	2,110	2,010	1,960	1,940

If the candidate has formally accepted admission to a college, he should notify that college directly.

Counselors can assure parents that the confidential nature of the information they give will be fully respected by the css. Copies of the completed pcs are transmitted only to the official representatives of colleges or non-college sponsors named by the parents to receive them. The student's secondary school will not be informed of the pcs's contents.

How financial need is determined

Financial need is the difference between the cost of attending a particular college and the total amount a student and his parents can afford to pay. College expenses include tuition, fees, room and board (if a resident student), books, incidentals (such as clothing, recreation, and spending money), and transportation between home and college. The student's financial resources include his savings, summer earnings, awards from agencies outside of the college, and the amount of support his parents can provide. His financial need is the difference between these totals and is the amount of help he will require to attend a particular college.

Family income is analyzed

A family's current income is the primary source of funds it is expected to provide for college expenses. From Figure 1 on page 8 and Table 1 on page 9 it is possible to estimate how much a family would be expected to provide from its income, according to the size of the income and the number of dependent children in the family. These estimates apply only to families with no unusual, complicating financial circumstances. These families have only one of the two parents working, no children in college or private school, and no extraordinary expenses. Complications generally reduce the expectation from income that is indicated by the table and graph.

The present expectations from parents' income are based on three sources of information. One is a number of studies, made at colleges, of the ability and willingness of several thousand families to pay for college expenses. Another is data accumulated by the College Scholarship Service in the course of processing some 500,000 Parents' Confidential Statements over the past nine years. And, finally, there are the various cost-of-living studies made by government agencies.

The cost-of-living studies indicate that it usually costs a family $800 to maintain a dependent child adequately during an academic year of nine months. To provide this amount a family must have an income large enough to live at what economists call a "modest but adequate level." According to the Bureau of Labor Statistics, for example, the present modest but adequate level for a one-child family is $6,250, for a two-child family it is $7,350, and for a three-child family $8,200.

Many families, of course, have incomes below the modest but adequate level and as a result are assumed to spend less than $800 to maintain a child for nine months. The minimum amount colleges expect from the incomes of these families, therefore, will also be less than $800. Instead it will be the amount actually spent to maintain the child in high school.

When family income exceeds the modest but adequate level, the family is considered to have "discretionary income"—money which the family can use as it considers best for such expenditures as education. When a family has discretionary income it is expected, under CSS procedures, to provide more than the minimum $800 for college expenses. Thus, where Figure 1 or Table 1 indicates an expectation from family income of more than $800, the amount over $800 is expected to come from the family's discretionary income.

It is most important to remember that the expectations shown in Figure 1 and Table 1 are for families without unusual problems—such as extra dependents, debts, emergency expenses, or two working parents. Families with unusual problems would not be expected to provide as much.

Family support from assets

A family's financial strength—and hence its ability to pay for college expenses—depends on the family's assets as well as its income. But assets are not as easy to appraise as income: some are difficult to evaluate and others are difficult to convert into cash. For this reason the various kinds of assets are considered separately under the CSS need analysis procedures.

Liquid assets—such as cash, savings, stocks, and bonds—are considered at full value. Such non-liquid assets as the equity in a home or other real estate and the loan value of life insurance policies are considered at half their actual value. Business holdings, including farms, are also considered to be non-liquid assets and their effective values are computed according to a special, detailed set of CSS procedures.

All of these individual values are added together to arrive at what CSS calls a family's total assets. From this total is subtracted a general allowance of $4,000 and an allowance for emergencies of $500 per family member. Additional allowances are made for special circumstances, such as widows and parents who have no provision for retirement.

What is left after the allowances are subtracted from the family's total assets is called its net assets. Each parent is assigned two shares of these net assets and each dependent child is assigned one share. The student's share is divided by four so as to apportion the assets equally over the four years of college.

For example, let's assume that the Smiths, a family with two children, have a $5,000 bank account, a $10,000 equity in their home, and a $2,000 loan value in a life insurance policy. Using the procedure just described, the entire bank account ($5,000) would be added to half the home equity ($5,000) and half the life insurance loan value ($1,000). The family's total assets would therefore be $11,000.

Subtracting the general allowance ($4,000) and the four emergency allowances ($2,000) would leave net assets of $5,000. Dividing this amount into six shares (four for the parents and two for the children) would result in a total student's share of $833. The Smiths, then, would be expected to provide one-fourth of this amount ($208) from their assets for each of the four undergraduate years. (Table 2 gives annual expectations from net assets for families of various sizes.)

If, instead of buying a house, the Smiths had rented an apartment and accumulated $10,000 in savings their assets would be analyzed as follows. The $10,000 savings plus $1,000—half the $2,000 loan value of their life insurance policy—gives them total assets of $11,000. Subtracting the general family allowance ($4,000) and the four emergency reserve allowances ($2,000) would leave net assets of $5,000. According to Table 2, therefore, the Smiths would be expected to provide $208 a year for educational expenses from their assets.

It should be evident from this example that families are not normally expected to increase the mortgages on their homes nor to borrow money on their life insurance policies. The expectations from savings and other liquid assets, moreover, are modest. Only when the family's assets are reasonably large and more than adequate to meet financial emergencies are they considered as a source of support for college expenses.

The student is also expected to use a part of any assets he personally may have accumulated—such as savings, stocks, or bonds—to pay college expenses. If the student's total assets amount to less than $1,000 they are considered separately from his parents' assets. If they exceed $1,000 everything over $1,000 is added to his parents' liquid assets. Colleges generally expect students to use most or all of their savings to pay college expenses. If, for example, the student is planning on a four-year program and has $1,000 of his own saved, a college may expect him to spend $200 (one-fifth of it) each year for college.

Table 2. Student's annual share of net family assets—CSS procedure

	Number of dependent children in family							
Net assets	*1*	*2*	*3*	*4*	*5*	*6*	*7*	*8*
$ 1,000	$ 50	$ 42	$ 35	$ 31	$ 28	$ 25	$ 23	$ 21
2,000	100	83	71	63	56	50	45	42
3,000	150	125	109	94	83	75	68	63
4,000	200	167	143	125	111	100	91	83
5,000	250	208	179	156	139	125	111	104
6,000	300	250	214	188	167	150	136	125
7,000	350	292	250	219	194	175	157	146
8,000	400	333	286	250	222	200	182	173
9,000	450	375	321	281	250	225	205	188
10,000*	600	517	457	413	378	350	327	308
11,000*	660	560	503	454	416	385	360	339
12,000*	720	620	549	495	453	420	393	370
13,000*	780	672	594	536	491	455	425	401
14,000*	840	723	640	578	529	490	458	432
15,000*	900	775	686	619	567	525	491	463

*An additional 1 per cent is added to students' shares when their net family assets are between $10,000 and $15,000.

The total amount of support that is expected from each family, then, is the sum of the expectation from the parents' income, from the parents' assets, and from the student's assets. The total expectation is the same for both resident and commuting students. If a student commutes, the college will consider the cost of maintaining him at home and will adjust the budget it makes up for him accordingly. An example is given on page 13.

A detailed description of the CSS procedures for estimating family support for educational expenses appears in the *Financial Aid Manual*, a publication of the College Entrance Examination Board. This *Manual* was prepared for college financial aid officers, but counselors who help to administer local scholarship programs also may find the information in it most helpful. The *Manual* is intended for professional use; it may only be ordered from the College Scholarship Service on official school stationery.

Four typical examples

Here are some examples of the way in which need and financial aid awards are determined. Suppose that two students, John and David, apply for financial assistance from College X. Both students plan to live at the college, where expenses are $2,500 a year for tuition, room, board, incidentals, and transportation.

John's family has an annual income of $4,000. His mother is a housewife and his two brothers and one sister are all younger than he. The family owns a $6,000 house free of any mortgage, has $600 in savings, and debts amounting to $200. Since its assets are too modest to be considered, John's family will be expected to draw only on its income to help cover his college expenses. According to Figure 1, the normal amount expected from a four-child family whose parental income is $4,000 is about $175 per year. John plans to earn and save $300 during the summer before his freshman year. In addition, he has $625 in savings from gifts and part-time employment, accumulated while attending high school. From these accumulated savings College X will expect him to apply $125 a year to his college bill. John and his family together, the college believes, will be able to pay $600 toward the costs of his freshman year—$175 from family income, $300 from John's summer earnings, and $125 from his savings. His financial need, therefore, is $2,500 (college expenses) minus $600 (family resources), or $1,900.

College X offers to meet John's need with a $1,200 scholarship, a $300 job, and a $400 loan. (Many other combinations were possible, such as a $1,500 scholarship and a $400 job or a $1,000 scholarship, a $300 job, and a $600 loan).

David's father, on the other hand, earns $14,000 a year from his own business, the capital value of which is $51,000. And he personally owns stocks and has savings that total $15,500. David has a younger brother who attends a special school that costs the family $1,500 annually. A grandmother lives with the family and is totally dependent. Taking these complications into account, College X estimates that David's family can reasonably afford $3,100 a year for college expenses—$1,700 from income and $1,400 from assets. Since the total cost of College X is $2,500, less than the family is considered able to afford, David is not offered any financial assistance. David's family could, if necessary, borrow money from a commercial source or use College X's installment payment plan.

Paul applies to College Y, where expenses total $2,000 a year. His mother and father both work and their combined income is $9,000 a year. Paul has two younger sisters, one of whom was hospitalized during the past year at a cost to the family of $600. They live in an apartment and have a $3,000 bank account. Paul has $1,000 of his own saved and the college assumes he will work and save another $300 during the summer before college. The family's assets are too small to be considered. Taking into account the fact that both parents work and the recent hospital bill, College Y expects the parents to apply about $600 from their income toward Paul's college bill. From his summer earnings and savings the college expects Paul to take $300 and $200, respectively, for a total of $500. His financial need is, therefore, $2,000 (expenses) minus $1,100 (resources), or $900. College Y, because of limited funds, offers Paul a $400 scholarship, a $150 loan and a $150 term-time job. This covers all but $200 of his need. Paul must then find a way to increase his or the family's contribution. His first effort will probably be to earn and save more than $300 during the summer. Perhaps he can earn and save the entire $500 he needs to balance his budget for the coming year. If not, he can seek additional work during the school year over and above the $150 term-time job guaranteed him by the college. Paul's parents might be able to increase their contribution or he might decide to take more from his savings than the college expected to pay for freshman year expenses. If he takes more from his savings, however, Paul should be aware that College Y will probably not expect less from these savings for the upper-class years.

Finally, Mary lives in the same town as College A and can commute to it. But she would rather attend College B, in another state, as a resident student. Besides her parents, Mary has a younger brother and a younger sister. The family has an income of $7,500, owns a $13,000 home on which there is a $6,000 mortgage, and has savings of $3,000. Mary has another $750 she has saved. Since there are no special family complications, the family contribution from income can be determined from Table 1 or Figure 1.

Mary decides to apply to both College A and College B for admission and financial aid.

As Table 1 indicates, the family will be expected to contribute $650 from income. It will not be expected to contribute anything from assets. Mary herself will be expected to provide another $350, $200 from money earned during the summer before college and $150 from her savings. Mary's and her parents' total resources, therefore, amount to $1,000.

Subtracting these resources from $2,300—the cost of one year's residence at College B—leaves Mary with a need of $1,300. College B approves Mary's application for admission and offers her a $400 scholarship, a $200 loan, and a $200 term-time job. These total $800—leaving Mary still $400 short.

College A also costs a resident student $2,300 a year. But a commuter could attend for $1,850 a year, or $450 less. This is a typical difference between the estimated cost of supporting the student at home and the cost of room and board at college.

Since Mary applied as a commuter, College A offers her a $500 scholarship, a $200 loan, and a $150 term-time job. This financial aid of $850, added to the family's total resources for college of $1,000, exactly equals the $1,850 she would need.

Mary now must decide whether to attend College B, and somehow make up the $400 she would still need, or to attend College A, where her need would be fully met. She might try to earn more money during the summer in order to attend College B, or she might begin drawing on her savings more heavily than the college expects. This second solution, of course, would leave her short of funds in the upper-class years. If she had saved more during her high school years, Mary realizes, she would not have such difficult decisions to make.

After considering both alternatives carefully, Mary decides to attend College A as a commuter.

What sample cases show

From these examples, it is apparent that there are some colleges, like X, that fully meet the financial needs of most students who apply for aid. But there are many more colleges, like Y and B, that can meet only part of this need because their financial aid funds are limited. Parents should realize, therefore, that a college's estimate of how much parents can afford to spend on education is almost always the *minimum* amount parents will be expected to pay. It is also apparent from the examples that colleges evaluate each student application for aid carefully and consider every circumstance that effects a family's financial situation. Most colleges review the student's financial circumstances before each of his upper-class years.

In general, the colleges that participate in the College Scholarship Service all arrive at similar estimates of the minimum amount a family should provide for college expenses. They use the same information, reported in the Parents' Confidential Statement, and evaluate it according to common principles. The combinations of aid offered—scholarship, loan, and job—may vary. And the amount of each type of aid may vary. But the total value of an award is based on the difference between what a student and his parents can provide and what a college costs. Thus, a student will seldom gain an advantage by selecting a college on the basis of its financial aid offer. Rather, he should make his choice on the more valid basis of how well the college is likely to help him reach his goals.

A summary of suggestions

In describing how students can finance their college expenses, how the College Scholarship Service functions, and how financial need is determined, this booklet has made a number of suggestions that are intended to be helpful to a counselor. The most important of these are that he should:

1. Encourage all able students, whatever their financial circumstances, to continue their education beyond high school. Students who are highly motivated toward higher education will only need information on college admissions and opportunities for financial aid. Those who are reluctant to continue their education will need special encouragement and detailed information about opportunities for aid from colleges and from non-college sponsors of financial aid.

2. Urge students in need of financial assistance to contribute to their own education by saving for college expenses during high school—by working during the summer before entering college and, perhaps, during the college year as well.

3. Help students understand that they are the ones who benefit from higher education and that they should not be reluctant to apply for or accept an educational loan. Working and borrowing for college are sound ways for students to help themselves.

4. Help parents and students understand that financial aid is principally awarded by colleges to help students who need it, rather than to reward students for outstanding achievement.

5. Help parents understand that colleges expect them to draw primarily upon their income, and to some extent upon assets, for their child's education. Colleges adjust the amount of aid they award according to the financial need of a student.

6. Urge students to write to non-college sponsors of aid and to colleges of their choice for information on financial aid opportunities and how to apply for assistance.

7. Give *one* copy of the current edition of the Parents' Confidential Statement to each student in

need of financial assistance who is applying for aid at colleges that require the PCS.

8. Make certain that students and their parents understand that the Parents' Confidential Statement is not considered by most colleges to be an application for financial aid. In most cases an application for financial aid to each college of the student's choice must also be submitted. An application for admission must, of course, always precede or accompany any application for aid.

9. Provide students with information about the financial aid programs of colleges and non-college sponsors.

10. Acquaint parents and students with the financial aid principles that have been agreed upon by the colleges participating in the College Scholarship Service.

Parents' workshops

A new method of implementing many of these suggestions is being tried by a number of high schools. School counselors and college admissions officers are conducting workshops for parents. The parents act the part of a college admissions committee by making decisions on a number of actual students whose records are supplied. Often a completed Parents' Confidential Statement is also supplied for a student who has requested financial aid. As a result of their discussions, the workshop parents learn a great deal about college admissions and financial aid practices, and about the way in which student need is determined.

A sample packet of case materials suitable for a parents' workshop may be obtained without charge from the College Entrance Examination Board, 475 Riverside Drive, New York 27, N. Y.

This is merely one possible method of implementing the suggestions listed. The College Scholarship Service welcomes other suggestions from counselors.

College financial aid principles

The following Statement of Principles Guiding the Administration of Financial Aid Programs in the more than 475 colleges and universities participating in the College Scholarship Service is presented for one purpose—to help school counselors, parents, and students better understand the goals of college financial aid programs.

As a statement of principles, not of practices, it cannot describe in detail the interaction that takes place on financial aid matters between a particular student and a particular college or between colleges. College policies are guided by these principles; college practices, however, differ necessarily since tradition and local conditions have long determined them in our free educational community. These fundamental principles, on which all CSS colleges agree, are as follows:

1. The primary purpose of a college's financial aid program should be to provide financial assistance to students who, without such aid, would be unable to attend the college.

2. Financial assistance consists of scholarships, loans, and employment, which may be offered to students singly or in various combinations.

3. The family of a student is expected to make a maximum effort to assist the student with college expenses. Financial assistance from colleges and other sources should be viewed only as supplementary to the efforts of the family.

4. In selecting students with need to receive financial assistance, the college should place primary emphasis upon their academic achievement, character, and future promise.

5. The total amount of financial assistance offered a student by a college and by other sources should not exceed the amount he needs.

6. In determining the extent of a student's financial need, the college should take into account the financial support which may be expected from the income, assets, and other resources of the parents and the student.

7. In estimating the amount that a student's family can provide for college expenses, the college should consider the factors that effect a family's financial strength: current income, assets, number of dependents, other educational expenses, debts, retirement needs. In addition, it should consider such special problems as those confronting widows and families in which both parents work.

8. A student who needs financial aid should provide a reasonable part of the total amount required to meet college costs by accepting employment, or a loan, or both. Acceptance of a loan, however, should not be considered by the college as a prerequisite to the award of a scholarship or job.

9. Because the amount of financial assistance awarded usually reflects the financial situation of the student's family, a public announcement of the amount by the college is undesirable.

10. Consultation between colleges on the kind and amount of financial assistance to be offered a mutual candidate should be encouraged, since this assures relatively equal aid offers to the student, making it possible for him to choose a college on educational rather than financial grounds. This benefits both the student and the college.

11. The college should clearly state the total yearly cost of attendance and should outline for each student seeking assistance an estimate of his financial need.

12. The college should review its financial assistance awards annually and adjust them, if necessary, in type and amount to reflect changes in the financial needs of students and the cost of attending the institution, as well as to carry out the college's clearly stated policies on upper-class renewals.

13. The college itself should make every effort, and should cooperate with schools and other colleges, to encourage college attendance by all able students.

14. The college should strive, through its publications and other communications, to provide schools, parents, and students with factual information about its aid opportunities, programs, and practices.

In attempting to observe and implement these principles, the colleges seek the cooperation of the secondary schools.

They ask that the schools:

1. Refrain, in public announcements, from giving the amounts of financial aid received by students.

2. Encourage the student who has been awarded aid by non-college sources to notify the colleges to which he applies for aid of the type and amount of such outside assistance.

3. In administering the school's own aid program and in assisting local groups to administer their awards, seek early advice from the college a student plans to attend on the amount of aid he will need.

4. Provide adequate opportunity within the school for all able students to receive special recognition of their accomplishments, thus making it unnecessary for colleges to provide such honorary recognition through their financial assistance programs.

Schools and colleges may reprint these College Financial Aid Principles *and distribute them to interested persons. Or copies of the principles statement in quantities of 10 and over, may be ordered from the College Scholarship Service, Box 176, Princeton, N.J. The cost is 3 cents per copy.*

Selected publications on financial aid

College catalogues and officers are the primary source of specific information about college financial aid opportunities. But additional information of considerable value to counselors may also be found in the publications listed below. The list is divided into two sections: a general one of books intended for parents and students, and a more specialized one of books intended for professionals in the financial aid field.

Where no year is given, the book is revised periodically and the latest edition should be requested.

For parents and students

American Legion Committee on Education and Scholarships. *Need a Lift? Educational Opportunities*. Indianapolis: National Child Welfare Commission of the American Legion.

Frank H. Bowles. *How to Get Into College*. New York: E. P. Dutton and Co.

Consumer Loans for Education. Washington, D. C.: The Kiplinger Foundation.

W. Bradford Craig. *How to Finance a College Education*. New York: Henry Holt and Co.

Charles R. Dalton. *College for You?* New York: Keystone Education Press.

S. Norman Feingold. *Scholarships, Fellowships, and Loans*. 4 vols. Cambridge, Mass.: Bellman Publishing Co.

Gene R. Hawes. *Guide to Colleges*. New York: New American Library.

Mary Irwin (ed.) *American Universities and Colleges*. Washington, D. C.: American Council on Education.

Clarence E. Lovejoy. *Lovejoy's College Guide*. New York: Simon and Schuster, Inc.

———and Theodore S. Jones. *Lovejoy-Jones College Scholarship Guide*. New York: Simon and Schuster, Inc.

Richard Mattingly. *Financial Assistance for College Students: Undergraduate*. (U. S. Dept. of Health, Education and Welfare, Office of Education Bulletin No. 11.) Washington, D.C.: U. S. Govt. Printing Office.

Carl O. Peets. *How About College Financing? A Guide for Parents of College-Bound Students*. Washington, D. C.: American School Counselor Association.

Sidney Sulkin. *Complete Planning for College: The Kiplinger Guide to Your Education Beyond High School*. New York: McGraw-Hill Book Co., Inc.

The College Handbook. New York: College Entrance Examination Board.

Eugene S. Wilson and Charles A. Bucher. *College Ahead*. New York: Harcourt, Brace and World, Inc.

For counselors and college officers

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Mr. FORSYTHE. I think the point I was trying to explore in this general area is to find out your opinion as to whether there is not an area where there might be a need for loans above the average income that would be approved under the National Defense Education Act.

Dean GRIP. When our joint commission on financial aid discussed this, we felt that we could not oppose a commercial loan program.

We felt that it needed to be exposed as a program that was not really a financial aid program in the sense that we are thinking of the National Defense Education Act program and the scholarship program. I think we are also concerned that once legislation of this sort is passed, there might be a feeling that this is a major contribution when in fact it isn't. It isn't a major contribution in our eyes to a financial aid program.

Mr. FORSYTHE. Why?

Dean GRIP. I beg your pardon?

Mr. FORSYTHE. Why do you feel it is not a major contribution?

Dean GRIP. For the simple reason that it doesn't get down to families who have need, who have substantial need. I think the illustration you used, Mr. Counsel, for instance, was a family which would not in any sense qualify as needy and deserving of a regular financial aid program, but where there are temporary problems within the family which indicate that the needs to resort to borrowing.

Senator MORSE. Your feeling is—to use a hypothetical—given a family with an income of $6,000, which has a promising young college student in the family, that if the student must obtain a commercial loan at 6 percent for 4 years, that he will have to pay a larger interest cost. In addition, the student will have been removed from the family as far as a potential contributor to the family income is concerned. After all, one reason for going to college is, not only to help himself, but also to be in a position potentially to help his family.

If he is to be saddled with a heavy loan for the first few years following college requiring loan repayment and the interest that goes along with it, he is not going to be in much of a position to help to take care of his parents or perhaps a sister or brother who is a victim of a tragedy such as infantile paralysis. Is that in essence your point?

Dean GRIP. Very much, and I would think so even in less extreme cases, for instance, where this would tend to discourage students from going on to graduate school.

Dr. HORN. Mr. Chairman, I wonder if I may make a comment in connection with this.

Senator MORSE. Yes, by all means, Dr. Horn.

Dr. HORN. The University of Rhode Island is a relatively small State university with something over 4,000 students. Last year under the National Defense Education Act program we awarded loans in the amount of $257,000 to 600 students. This was about 100 less than had applied. The average is only $430 per student. Now many students need more money than that. It actually costs for a Rhode Island resident to attend the University of Rhode Island for room, board, tuition fees, and books, roughly $1,400.

This doesn't include any extras, any transportation, any clothes; if he is from out of State it is another $500.

So it is roughly, if you added transportation and incidentals, it is roughly $1,600 for this State university for a Rhode Island resident, $2,100 for an out-of-State resident.

Now with only a $430 average loan available in terms of the amount of money under the National Defense Education Act program that we have, many of these students must turn to other sources. We have in Rhode Island a State supported program of guaranteed loans taken out through the banks. This is in addition to the banks' own programs. So that we find in the 3 years, I think it is, that the Rhode Island students loan program, that is the State guaranteed one has been in existence, more than $1½ million in loans have been made to Rhode Island students.

So this is one of the reasons why we need to have more money available under the National Defense Education Act program, so we can raise this average amount considerably higher.

Mr. Forsythe. Is this $4300 average per child the result of not getting sufficient loan money?

Dr. Horn. No. We got all that we applied for but we could have used a great deal more.

Mr. Forsythe. Why didn't you apply for more?

Dr. Horn. Because for one thing, Mr. Forsythe, it is essential that the university provide one-ninth of the amount.

We have scrambled to raise this money from sources through gifts. For the first time this year the board of trustees has put in the budget the amount of money that will cover this. And we expect we will have more next year. But you realize that if we were asking for a half million dollars, and I have no doubt that we could use this profitably to aid students, we would have to provide roughly $50,000 out of either State money or money which we have raised from private sources.

Senator Morse. Counsel suggests that if any of the others on the panel would like to make comments on the point he has raised we will be glad to hear them.

Dr. Horn. No.

Senator Yarborough. Mr. Chairman, I would like to ask about the private college, church-related colleges which I visited in Texas a year ago, Hardin-Simmons in Abilene, Tex. They had an opportunity to visit students at a chapel that they have. I asked the students there who had received National Defense Education Act loans to raise their hands.

Approximately one-fourth of the students attending that chapel, which was most of the student body, raised their hands.

I was so surprised at the number. I asked the dean and he brought in the man, the assistant who handled these loans. I think the actual percentage of students attending that college who had received a National Defense Education Act loan was 27 percent.

But 27 percent hadn't received the loan in any one year. As they had handled this, they would approve a loan for a student one year—generally his freshman or sophomore year—to get him started in college, then passed that loan on in the second year to enable more students to participate. They found in the first year or two, they had passed so many of the loans around and very few students had gotten a loan for 2 consecutive years, and that it ended up with 27 percent of the student body had been able to stay in that college during a crucial year because of the National Defense Education Act loans.

Senator Morse. Senator, why wouldn't that policy cause a lot of dropouts?

Senator YARBOROUGH. There would have been more dropouts if they hadn't had the policy.

Senator MORSE. If a student gets a loan in a year to get started, why is he in any better position in his sophomore year?

Senator YARBOROUGH. They would give him a job sweeping out dormitories or a job in town or maybe get some outside support.

Dr. HORN. May I comment Senator Yarborough, on your statement. One of the things that some of us feel with regard to a package deal in terms of student financial aid is that it is more important to have scholarship money available in the early years as against loan funds. If we had our choice, we would prefer to give scholarships in the first year or the first and second year when it is rather difficult for many of our students to adjust to the college program, when they need to get themselves started without worrying let's say about financial aid or a work job.

Then in the junior and senior years they can take out the substantial loans that carry them through. This is one of the reasons why we are very keen, if I may say so, for a scholarship program in this particular bill of Senator Hartke's along with an increase in student loan funds, and a substantial work program.

Senator YARBOROUGH. I agree with you 100 percent. I am not impressed with guaranteed Federal loans for education.

They make education a banker deal like FHA so that the financial community gets a cut out of every student's potential for service to himself, his family and the Nation.

I think that is a greedy approach to education, "We have got to have our cut out of the student getting it." I am wholly out of sympathy with it.

I think there ought to be scholarships, supporting scholarships here in the National Defense Education Act of 1958.

I was then on the Education Subcommittee, as I recall. We lost scholarships on the floor of the Senate by about three votes. It was changed into a loan program. Of course, we would have lost it anyway because the House was strongly against scholarships. But we were weakened in our efforts by losing that on the floor of the Senate by, I think the record will show, two or three votes, when we attempted to write a scholarship program into the National Defense Education Act of 1958.

I think the present loan program that we have is the next thing to it, where the payments start after the student finishes school with forgiveness of 10 percent a year for each of 5 years.

We had a forgiveness program in the Labor and Public Welfare Committee supported by the distinguished chairman, Lister Hill, and supported by the distinguished Senator from Oregon, for 20 percent forgiveness, as I recall, a year, for 5 or 10 years. In other words, if he went into teaching and continued to teach, we had a program, if he could get the loan, under the forgiveness program for teaching it would have ultimately liquidated the loan, because of the shortage of teachers and the low pay of teachers in this country.

But that, too, was modified. We didn't have the votes to hold that, so we finally had the 50 percent forgiveness provision.

Pardon me, Mr. Chairman.

Senator MORSE. I hope that sometime some witness on the panel will give us some information on this question or give us a memorandum as to what you gentlemen think the National Defense Education Act loan appropriation figure ought to be. At the present time it is $135 million. We took $150 million through the Senate. Senator Hartke proposes to raise it to $200 million for the first step and then $250 million.

I wonder if you gentlemen have given any thought as to what the proper figure ought to be?

Dean GRIP. I think it is much too early for us to tell from our experience with the National Defense Education Act loan program beginning just 5 years ago, because we are still in the buildup phase. Initially there was reluctance on the part of many parents of students to use it.

That is gradually being overcome. The rapid increase in our enrollments also makes it difficult to predict. I think it would be perhaps foolhardy for us to say that we could make a decent prediction for 5 or 10 years. I would like to point out one thing too. With regard the funding that took place last month (and those allocations incidentally were confirmed just a week ago, and the money will be in the mail in another week or two), I am sure you are going to find that the supplemental appropriation for this year will not be fully used, because this money comes into channels in the spring, after the spring semester is started. A student who might have used $1,000 or $800 in September either did not show up subsequently, or he has made some other kind of borrowing arrangement, or he is working too long. But at this point he has paid most of his tuition for the semester. So this particular experience will not be a good one on which to make your projection for next year.

Senator MORSE. I think I will ask Counsel Forsythe, if I may, to make a point here with regard to the supplemental.

Mr. FORSYTHE. I would mention to the chairman we were just talking about a supplemental, maybe that is a lesson to this committee that we had better not let the National Defense Education Act come so close to expiration before we extend it again. If anybody would like to comment on that I think it would be very good for the record because that is one of the problems we face with legislation.

Senator MORSE. We almost came to the point we waited so long last time that we didn't get anything at all.

Dean GRIP. We are geared to letting upper class students know in the spring whether or not we are going to have aid in the following year. We are dealing with freshmen in the spring.

Some of this is a little shaky. We have either been way out on the limb as institutions or the effectiveness of the program has been greatly tempered by people not being able to make loans to students.

Senator MORSE. Dr. Moon.

Dr. MOON. I am willing to risk, Mr. Chairman, at least on the basis of my model, an estimate of what the National Defense Education Act loan needs would be in 1970 under the assumption that you would simply continue to have the National Defense Education Act bear the same relationship to the total of student aid available in this country for undergraduate education as it did in 1960.

This was roughly 20 percent of the total aid available to undergraduate, full-time undergraduate students. Therefore based upon my estimate of need at $1,903 million, you would need roughly $380 million in National Defense Education Act loan funds in 1970.

Dr. HORN. May I make a comment on the question here, Mr. Chairman.

Senator MORSE. Yes, doctor.

Dr. HORN. I think that eventually we need to take into account that money will be coming back from the National Defense Education Act loan funds. We haven't had enough experience yet to know in what amounts in terms of the forgiveness principle.

I note that Senator Yarborough has commented upon this. I would like to make the point, Mr. Senator, that if we are going to use the forgiveness principle, I am a little perturbed that it has been applied only to teachers. There are many other social and public welfare types of positions that our graduates go into, in some cases in which the salaries are not as great as teachers.

Our nurses, for example, are not getting salaries comparable to what schoolteachers do. Those that go into social welfare work in our State are very low paid. Those who go into the ministry, go into the Peace Corps and so forth, there are problems here in connection with this forgiveness principle that I think might well be taken into account. But when this money starts coming back, it does seem to me that we will not have to pour as much new money into it in spite of the increased enrollments in our colleges and the increased costs which are going up as Dr. Moon has pointed out every year, as we need at the present time.

Senator YARBOROUGH. I agree with you that there are phases of social welfare where people are paid much lower even than teachers. We find that in attempting to recruit people to train the mentally retarded. If they are going into the healing arts, medicine, dentistry, it is something that pays better, and those who teach in these schools and certain universities of the country tell me they have great difficulty getting young people who will dedicate their lives to training the mentally retarded and treating the mentally ill.

I would agree with you on most of the categories you gave, however, not for preachers because that would put the Government in religion, subsidizing preachers.

Dr. HORN. I hadn't thought of that, sir.

Senator YARBOROUGH. The Peace Corps is supposed to be kind of a missionary effort, not a permanent occupation. Young people for 1 or 2 years have dedicated effort. The Mormons or Latter Day Saints have its missionaries, young people who go overseas, tens of thousands of them.

The Peace Corps is a great outpouring of the American spirit. I wouldn't agree that we ought to turn it into a remunerative thing. I think it would lose a lot of the great spirit of zest for service that it now has if we put it on the basis that they will make a decent living out of it. I have seen it in operation in Africa and South America. I think it is one of the greatest things that we have ever done in this country for building good will overseas, people completely dedicated, not there for the money they are getting, not there to make a profit out of it, but completely for service to people. This has a tremendous impact on the people overseas where these dedicated young people have served.

Dr. HORN. My first teaching job, Mr. Senator, was right out of college; 3 years teaching in the American University in Cairo, Egypt, at a salary of $600 a year, so that I knew of something similar to the

Peace Corps before this. I am not sure, sir, but what we ought to take another look at the whole forgiveness principle, however, that is in the bill.

Senator YARBOROUGH. I agree with you that it should be broadened to the other services. I think many of the colleges have been remiss on this National Defense Education Act program in not pushing it. In the first year or two of operation I visited some college campuses, mainly in my own State. At one of the largest I had a little public forum with the students and this was brought up and several students said I defy you to show me one student that has ever gotten a loan. I know 30 on my floor in my dormitory who applied and not one of them got one.

Now, another large college there, Arlington State College, I think has 7,000 or 8,000 enrollments, has been a junior and then a 3-year college and has recently been made a senior college, as a branch of the Texas A. & M. University system, the land-grant college which was the first institution of public higher education in Texas to open its door to students. It was a tax supported college.

The executives have dropped participation in the National Defense Education Act, to the consternation of the student body and the faculty, and I was invited to speak out there and quite unsociably I attacked the administrative authorities for having dropped it. They defended it on the ground that it costs them more money to administer than the amount of the loans.

I had an idea that the bankers were the ones who wanted it dropped.

Dr. HORN. Mr. Chairman, I know that the Senate meets today at an early hour and you have not had the privilege I think of hearing our final witness. If I may, sir, I would like to introduce at this time Dean John Munro of Harvard College, who has been an administrator for almost 20 years. He is in his sixth year as dean of the college. He is also chairman of the advisory committee of the national student financial aid programs of the college scholarship service.

Senator MORSE. I want to hear him, but we have plenty of time. The Senate does not meet until 12, and this discussion on the National Defense Education Act causes me to make this comment.

I haven't fought my way through this maze yet, but I think you people can be of help to me. I am a little puzzled about the attitude we run into in the Congress in both Houses, but particularly in the House in connection with this matter of student loans and scholarships and forgiveness. I think our educational forces in the country do a tremendous job of adult education down to the community level. I am afraid that the heart of the negativism that is characterized in both branches of the Congress, but particularly the House on this matter—we are pretty bad in the Senate on some matters but I am at a complete loss to understand the House on scholarships and forgiveness, and I sometimes think—my Senate colleagues don't like to hear me say this—that maybe because they are elected every two years they are closer to the precincts of America than we are in the Senate. We think we are pretty close, but in my judgment, I sometimes see certain conduct in the Senate where we run out on one responsibility after another.

But I doubt if we have succeeded yet in getting the average taxpayer to realize that the educational funds that we seek in the long run will not cost the taxpayer a cent. Unless we can convince the public of that, and unless, in truth, that fact is a true fact, and I think it is, we are going to continue to have troubles such as we have been having in getting an adequate amount of money for education.

We find it much easier to get money for more material things on the basis of the argument that in the long run it is going to increase the wealth of the country and by expanding the economy it is going to create new jobs, and from new jobs, the tax dollars will flow.

I have used that argument over and over again, and correctly, in connection with my battles for farms legislation, for reclamation projects, for harbor development, and for all the other types of projects for which we seek funds, and for which we are able to prove mathematically that they are sound investments.

For some reason it has been more difficult to get the American people to see that an investment in human beings—an investment in brainpower—will, in the long run, produce greater wealth than appropriations for these material things. I think, for the debate which will take place on this bill, that the educators of the country have partially buttressed our arguments by the objective data they have given in this testimony. We need additional facts, however, to convince our colleagues in both branches of the Congress that all we are asking for is an investment which will repay itself. The emphasis is on the student repaying the investment rather than the emphasis being on the fact that the forgiveness principle in certain categories is justified. My view is that it certainly ought to be broadened. I don't think the forgiveness principle should be limited solely to teachers.

Here again I would bring in the need criterion for forgiveness. Two years ago we supposedly lost in the House—although I don't think it was the real reason, it was one of the public reasons given—a higher education bill because we had a 20-percent loan forgiveness provision in a conference report on that bill.

In my judgment, based on advice received from the leaders of the House, the loan forgiveness features wasn't the reason at all, but rather that church-state controversy was the real reason.

Be that as it may, the scholarship question is a barrier we have still to get over. I plead therefore for all the objective data you can give the subcommittee on the forgiveness point and on the scholarship matter. I am going to go along with all forms of loans. But I share the point of view of the Senator from Texas that I do not think the development of maximum intellectual potential of the youth of this country should be commercialized.

I think there are some values in commercial loans, but I am not for substituting commercial loans for the clear obligation of the people of this country, as a whole, to provide for the adequate direct loans, the forgiveness loans, and the scholarships which will make it possible for tens of thousands of young men and women to go to college who will never go to college if we adopt a commercial loan approach as the controlling type of loan.

Dr. Horn. Right.

Senator Morse. This may be a cliche, but I don't use it as a cliche. We certainly must recognize, as taxpayers, that we have a clear patriotic obligation as citizen statesmen, and that is what all taxpayers ought to be, to preserve our resources. We probably have no more valuable resources to preserve than the potential brain power of the youth of this country. When I see Members of Congress take out their financial jackknives and start whittling away, shaving away this great intellectual timber resource that we have, I am appalled at the waste of potential brainpower which results. Senator Hartke, won't you please come up here and sit with us? I am happy that you could come in. We are delighted to have you. Your ears ought to be burning because of what these men have been saying about your approach in S. 2490.

To get back to my little digression, I am concerned about the way the political office holders and leaders down in the community are whittling away at any proposal to make a wealth creating investment in the potential brainpower of the youth of this country.

They apparently want these young people to take on the burden of debt for the next 10 to 15 years after they are out of college. Many of them just can't afford to do it. They have family problems. You talked about the unmarried couple. It is nice to say that if they have the incentive and the ambition they can take out these loans and mortgage themselves for 10 to 15 years. They are not going to do it, and they are not the only losers when they don't.

We are all losers. I don't think the attitude will be changed, particularly in the House, on this matter of forgiveness of scholarships, until the people in the congressional districts are better informed. I know it can be done. We won't have any difficulty in getting the public approval once the public understands unanswerable facts.

I would support a much, much larger scholarship program. I was as you know roundly criticized a few years ago in debate in the Senate because I was so strongly committed for scholarships. The Congressional Record will show that it was not a proposal for creeping socialism, and the core of America came to my assistance. All I had to do was put into the Record the scholarship program of of the core of America. I think at that time, Senator, I know better than 90 percent—my factual recollection may be mistaken—I think about 95 percent of the core scholarship fund at that time was grant money. So if that is good enough for the core of America it is good enough for the senior Senator from Oregon.

I think the statistics were a little help in winning the vote in the Senate for scholarships even though we lost it over on the House side. There, again, I think this happened only because we didn't put across—and I close with this—the fact that this money which we proposed making available to the young people of this country for an education would have been repaid several times over to the Treasury of the United States in the increased taxes those students would have been able to pay because of their college education. More than most people think, I am a pretty tough lead pencil man when it comes to budget figures, investment figures. Here is an investment that I want to see us make.

We have to watch out that we don't take one segment of the program and by emphasizing it all out of proportion we lose support for other segments of the program. I think we ought to have available in the bill commercial loans.

I think we ought, also, to have available direct National Defense Education Act loans, scholarships, and loans with forgiveness features.

We should have a balanced program. We are only cheating the country as well as the young man or woman by not supplying the money to every young man or woman who has the intellectual potential to carry satisfactory college courses.

I have my bias. Many people may call their biases convictions but mine are just biases when I consider what we are doing with Government funds. We now are spending $56 billion for defense, though I am convinced that $40 billion would give us a stronger security than $56 billion. The argument that this great funds expenditure for the defense of the country will make our country more secure is one of the great fallacies of our time.

I think there is a tremendous waste of money in an alleged foreign aid program which isn't, in fact, foreign aid at all. Yet we have a hard time in this country in getting a few hundred million dollars for education. My biases take over as I consider this to the discomfort of some. But I am biased in support of this bill because I am convinced that this is a sound expenditure. It is certainly so by comparison with so much of our unsound expenditure in the fields of defense and foreign aid.

Not approving educational expenditures is really a disservice to future generations of Americans. They will have some very unkind thing to say about us in the pages of history because of the shocking waste of which we are guilty in this field. I shall continue to do what I can to help you obtain an education for the education of our young people. I shall continue to strive for a better break from the expenditure of the Federal tax dollar then we have been getting to date.

My attention has been called to a very short but important summary of the advantages which accrue to the Government from scholarship assistance given the student. It was prepared by Dean Wynn of the University of Pittsburgh School of Education. I ask that it be printed at this point in the record.

(The article alluded to follows:)

Free College for Able Youth?

AN INVESTMENT PROPOSAL BY RICHARD WYNN

The U.S. Government could make a neat profit by providing for every capable young man a free college education including total subsidy of tuition, fees, books, room, board, and personal expenses. This is the view of Richard Wynn, associate dean of the University of Pittsburgh School of Education. To prove his point, Wynn cites the following figures:

1.	Average lifetime income of males with college education	$419, 871
2.	Average lifetime income of males with high-school education	241, 844
3.	Difference in lifetime income between Nos. 1 and 2	178, 027
4.	Average annual income of male college graduates	10, 497
5.	Average annual income of male high-school graduates	6, 046
6.	Average annual income tax paid by college graduates	1, 693
7.	Average annual income tax paid by male high-school graduates	676
8.	Average lifetime income tax paid by male college graduates	67, 730
9.	Average lifetime income tax paid by male high-school graduates	29, 744
10.	Differences in lifetime income tax payments between Nos. 8 and 9	37, 986
11.	Estimated cost of 4-year college education paid for by Government	10, 000
12.	Profit to U.S. Government (No. 10 minus No. 11)	27, 986
13.	Annual profit to U.S. Government (No. 12 divided by 40 years)	700
14.	Rate of income on investment (No. 13 divided by $10,000) (percent)	7

Wynn says that the additional profits yielded from the byproducts of this Federal investment—increased productivity of the national economy and lower social security payments, to mention only two—would be enormous.

"Can this country afford to give all its able young men a college education?" Wynn asks. He concludes, "It can hardly afford not to."

Senator MORSE. I thoroughly agree, based on this evidence, with Dr. Wynn that we cannot much longer afford the waste involved in not educating our talent.

Earlier this morning I indicated to you that I didn't intend to say much, but don't blame me, you can blame yourselves and the Senator from Texas here for the provocative questions that each of you have raised.

Now I will proceed, Dr. Horn, to hear your next colleague who I understand is Dr. Munro?

Dr. HORN. Dr. Munro, sir, dean of Harvard College.

STATEMENT OF DR. JOHN V. MUNRO, DEAN, HARVARD COLLEGE, CAMBRIDGE, MASS.

Dr. MUNRO. Mr. Chairman, Senator Yarborough, Senator Hartke, I am John Munro, dean of Harvard College. My interest and professional concern for the matter before us goes back to 1946. For some years after the war, I had responsibility for administering the GI bill at Harvard. Subsequently I was put in charge of developing a package program of loans, jobs, and scholarships at Harvard, in an effort to keep Harvard open to impoverished students in a period of rapidly rising costs.

While I was a financial aid officer I helped found the College Scholarship Service, and was a consultant for the General Motors scholarship program in the National Defense Education Act loan program. I am now director of the National Scholarship Fund for Negro Students. In the past 18 years I have put a lot of thought and effort into the development of financial aid programs in the sure conviction that the very heart of our democracy is to open roads of opportunity for men and women to live as rich and rewarding lives as their God-given individual talents will allow.

Now for me as an educator, one of the saddest facts about our rich and powerful country is that the way our system functions every year tens of thousands of able young men and women in the top quarter of intellectual ability drop out of high school or college before finishing what for their talents would be a proper education.

It is a grave loss for our national community and a frustration of the lives and potential of countless thousands of our people. So like my colleagues, I am much heartened by S. 2490.

The provisions of this bill represent a lot of careful thinking about the realities of our talent loss in our schools and colleges. I am especially impressed by the way in which S. 2490 brings all the elements of a sound college financial aid program into one package—gifts, scholarship aid, loans, and jobs in such a way as to stress self-help by the student, along with outright aid, and to improve college administration of the aid program.

I want to talk briefly about three elements in our discussion, the need for such a program, the role of gift aid, and finally the importance of the work-study plan.

NEED FOR PROGRAM

As to the need for a Federal financial aid program, I know we keep running into skepticism, but there seems to me no longer any doubt about the facts. We have had a number of careful studies in the past decade, all pointing to the same result. If you consider the top quarter of our young people in academic ability, about 100,000 a year drop out of education prematurely, and the basic reason is financial, poverty, inability to pay the bills.

The clinching study of this talent loss for me was that completed in 1960 by Donald Bridgman, for the National Science Foundation. Dr. Bridgman found that, taking the top 30 percent of students in ability, about 45 percent of the boys and 30 percent of the girls graduate from college. He found that a great many of these able people drop out after starting college, and that is bad news for us in the colleges. His figures are confirmed roughly by careful studies conducted more recently at the University of Pittsburgh and the University of Wisconsin.

GIFT AID

All the studies show a relationship between dropout and poverty. I hope we can think of S. 2590 as an important part of our Nation's serious new effort to reduce the effects of poverty.

The Federal gifts scholarship program can do more to help solve this problem than any other move we could make, and it should be aimed at the very poor youngsters from the bottom half of our economy who have the ability to go to college but not the visible financial means.

S. 2490 as I read it allows a State commission to set certain reasonable test levels and school achievement levels to assure adequate performance in college, and then to make the most money available to students who need it most. That is just right.

Some of us in the past have urged a stipend of $800 or $1,000 minus what the family pays to income tax. Such a plan would move the scholarship money down where it is most needed. A Federal program like that would have very high visibility for poor students and their teachers, and would encourage thousands to try harder in school, and go on to college.

The work-study provision is very important, in the long run perhaps the most important of the bill. A college is in a wonderful position as an institution to find good part-time jobs for its students, and it is a distressing thing to me as I visit college after college, to see how little administrative energy and imagination go into this important effort. You will get some conflicting opinions on this point on the value of employment for students. I am convinced, after a lot of experience, that it does not harm most students' programs, in fact it helps them to work a few hours a week while going to college.

At Harvard over 1,500 undergraduates have regular part-time jobs, and that includes some 400 freshmen. We have made a study of their academic records, and there is no difference that we can detect between the man working and the man who is not. They work an average of 10 hours a week and help themselves, these 1,500 or more undergraduates, by over $1 million a year.

This bill pushes the college in some right directions on jobs, toward educational jobs, with sensible limits, and it will require hundreds of colleges to organize a good student employment service for their undergraduates.

WORK STUDY ANALYSIS

Mr. Chairman, I would like to enter into your records if I may, this document which may be before you, entitled "a Federal Work Study Concept and Analysis," which was prepared by a committee of the scholarship service last year, upon a measure then before Congress, that resembled very closely the present provisions, and this would give you as careful a study of the matter as we could put together over a period of some time.

Senator MORSE. We are very pleased to have the document included in the record. It is entitled "Federal Work Study Concept and Analysis, Report No. 3, June 1963," prepared by the advisory committee on national student financial aid programs of the college scholarship service. The chairman of the council is Dr. Munro. It will be inserted in the record.

(The document referred to follows:)

THE FEDERAL WORK-STUDY CONCEPT: AN ANALYSIS

Report of the Advisory Committee on National Student Financial Aid Programs

I. INTRODUCTION

In two previous reports [1] this committee asked the educational community to consider various aspects of proposed Federal legislation that would broadly affect student aid activities throughout the Nation. In doing so we called attention to what appeared to be important implications of such proposals, and we have commented on probable effects should various provisions become law.

We now address ourselves to certain parts of the National Education Improvement Act of 1963, the administration's omnibus education proposal now being considered in several separate bills by the Congress. In this report, as in our previous efforts, we shall speak to the educational community but not for it. We do not urge anyone to take a particular stand on congressional disposition of the National Education Improvement Act. We do not even attempt a comprehensive review of the act or, indeed, of all of those provisions in it that would affect student aid programs in one way or another.

Rather, this report is largely devoted to what we believe to be the most potentially helpful and productive student aid aspect of the act, one that merits far more attention from the educational community than it has thus far received: a proposal titled "Student Work-Study Programs." In the committee's opinion this concept could well have as great an impact on student aid affairs as the national defense student loan program, and it could be, next to that program, the most important stimulus to college attendance since the GI bill of rights.

II. BASIC PROVISIONS OF PART C, TITLE I, H.R. 3000

This is the work-study program in the form in which it was introduced into the House of Representatives. It is not, as the name suggests, a variation on the well-known cooperative plan. Rather, it provides that Federal tax funds be used, in certain circumstances, to help develop additional opportunities for students to earn part of their college costs through term-time employment in educationally meaningful work on college campuses.

1. During its first year the program would provide $22.5 million for the Commissioner of Education to pay 50 percent of the compensation of students employed by institutions participating in the program; in the subsequent 2 years, appropriations would be whatever the Congress might determine.
2. Funds would be apportioned to each State according to the total number of full-time college and university students in that State compared with the number of all such students throughout the Nation.

[1] "Federal Student Aid Programs" (March 1961); "Two Federal Scholarship Bills: Their Possible Impact" (December 1961).

3. Federal matching funds would be provided only for student jobs of an educational character or having a substantial educational content.

4. Such students would be required to maintain good standing or, in the case of entering students, be capable of maintaining good standing.

5. Such jobs would be restricted to students who can demonstrate need for financial assistance to attend the institution.

6. Employment would not exceed 15 hours a week while the student is engaged in full-time study.

7. Participating institutions would be required to maintain their own expenditures for student employment at least at the average amount of the 3 preceding years.

8. Federal payments, which would be half the student's total compensation, could not exceed $500 per year to an undergraduate student, or $1,000 a year to a graduate or professional student.

9. Each participating institution would agree to operate its own program, to transmit Federal payments to its students, if requested to do so by the Commissioner, and to keep whatever records and make whatever reports the Commissioner might find necessary. The Commissioner could, at his discretion, pay the Federal share directly to any student.

10. Other than the Federal payments resulting from this program, there would be no restriction on the source of the funds an institution used to pay its share of the compensation for work done in accordance with the terms of the agreement.

III. POSSIBLE IMPACT OF THE PROGRAM

Perhaps the most obvious impact of the bill is the important, helpful effect it could have for the 100,000 or more college-capable high school graduates who each year fail to go on to higher education. All forms of undergraduate and graduate student aid now total about $700 million a year; of this approximately $100 million results from term-time campus employment of some 350,000 students. The proposed Federal program would increase these financial aid resources substantially, assuming that institutions made the effort necessary to use the full appropriations, and success in the early stages of the program could well bring annual appropriations even larger than the proposed $22.5 million first-year sum. Student income from organized campus employment would grow to an important extent.

At the same time, this program should affect the many thousands of able high school graduates who should go to college but do not. This group is characterized by either weak college motivation or, not infrequently, by positive motives away from further formal education. Some parents think that college is either too expensive for their children or is not worth the sacrifices involved. While loans have become an accepted part of our educational cost structure, willingness to incur debt for college is quite limited among families not strongly motivated toward higher education. High school students tend to think that college must pe paid for by parents or scholarships; even those who might break away from parental bias against higher education, or indifference to it, are likely to be overwhelmed by the sheer economic problem of financing their own educations. They know from observation that scholarships go to only a very few of their ablest acquaintances, and they conclude that the competition for financial assistance would be hopelessly severe. Thus, many of these able young people—who may or may not be able enough for scholarship assistance but who are capable of satisfactory college work—are lost by default as early as the eighth or ninth grade, when they choose programs of study that will not permit them to enter college in a normal manner.

Such attitudes and misconceptions would, we believe be strongly affected by the Federal work-study program in three major ways: first, by almost doubling the present volume of student aid provided by part-time jobs; second, by capturing public attention as the national defense student loan program has and making people generally aware that full-time students can earn a substantial part of their college costs while doing satisfactory academic work; third, and perhaps most important, by offering colleges and universities a strong incentive to improve and expand their student-employment programs. Thus, this program would have an impact on those able, needy students who believe college to be beyond their financial grasp—students for whom loans alone are not an adequate solution. In addition, it would affect the adults who determine much of what these young people believe about higher education, and it would have a beneficial impact on institutions of higher learning.

IV. COMMENTS ON MAIN PROVISIONS OF THE PROPOSAL

In considering the provisions of H.R. 3000 described above, the committee makes these observations on each of the 10 specific provisions:

1. *Size of appropriation*

The size of the proposed appropriation would be sufficient to have an important effect on college enrollment if institutions of higher learning were to take full advantage of it. To do so, virtually every participating institution would have to make a major effort to analyze its present student-employment program and to discover new ways to employ students under the terms of the agreement.

2. *Apportionment*

The committee continues to believe that in Federal programs intended to increase college enrollment, best results will be obtained by apportioning funds according to the college-age population in each State rather than by the college enrollment in each State. It seems apparent that the proposed apportionment of funds would direct relatively large shares to the States that now have the more fully developed educational programs at the expense of potential college students in the States whose programs are weak by comparison.

3. *Needed definitions*

The committee foresees considerable uncertainty, even confusion and harmful inconsistency, on the part of people responsible for developing and administering such a program unless they were given some reasonable guide in defining "* * * work of an educational character or having substantial content * * *." This provision, if narrowly defined, could mean that to qualify for the matching Federal grant a job would have to be a practical extension of some substantial part of the student's academic program; thus a student of library science working in the college library would clearly be holding an educational job, but a student of biology holding a similar job might not qualify under the terms of the agreement. Similarly, a dining hall job might reasonably be considered educational for a student of hotel administration, but not for a student of the classics or physics.

To avoid such pitfalls we suggest a broad definition along these lines:

(*a*) the job be clearly related to one or more courses being carried by the student, or

(*b*) it be related to the student's long-range vocational goal, or

(*c*) it be, in the institution's opinion, generally of educational value, or

(*d*) it be related to the educational services of the institution, but not necessarily to the student's academic program or vocational goal.

We believe that institutions of higher learning are competent to judge the educational value of any particular part-time student job. If experience should prove this opinion to be too optimistic in some instances, the Commissioner would have the annual reports from participating institutions to guide him in determining and resolving misinterpretations. Such difficulties would be unlikely to occur at institutions where all financial aid affairs are the direct responsibility of one experienced, knowledgeable person.

4. *Institutional judgment*

The bill in its present form would permit each institution to judge whether or not a beginning student is capable of doing satisfactory academic work while carrying a part-time job. Thus the bill recognizes, in this particular instance, the fact that reliance on institutional judgment would be essential to implementing the program. The committee thinks this reasoning should be applied to other provisions of the bill, notably the questions of determining educational value and the number of hours a student would be permitted to work.

5. *Determination of need*

The problem of determining need is a serious one for a variety of reasons. Broadly stated, the intent of this bill seems to be to make college possible for able students who otherwise could not afford education beyond secondary school, to provide such assistance in a form that would contribute to the student's educational experience, and to encourage institutions to devote their own resources to developing such a program. Obviously, this intent would be best served, and the appropriations most effectively used, if the jobs were assigned to needy students from low-income families. On the other hand, distributing a large number of relatively low-paying jobs to students of moderate or marginal need would have little effect on the lost-talent group, the 100,000 who in the present circumstances do not and probably will not enter college. Good need-analysis procedures, plus institutional determination to use such information in awarding financial assistance, provide the best assurance that the potential benefits of the program will not be vitiated.

The need factor is also related to natural intrainstitutional competitive instincts that can, when unrestrained, be detrimental to the entire educational community. We merely note that this program might hold the possibility of unrealistic job offers based on inadequate need analysis that could lead to a financial aid package—some combination of scholarship, loan, and job—substantially in excess of the student's actual need. Again, we think that sufficient institutional diligence in appraising individual need together with student-aid authority centralized in a single college office would virtually eliminate this hazard.

6. Limit of hours on work

The 15-hour limit impressed the committee as a provision that would probably have a profound effect on professional and graduate students, and an important but lesser effect on undergraduate students. Many existing graduate programs—teaching assistantships, research assistantships, and the like—require a full-time student to devote more than 15 hours a week to what is, in effect, part-time employment. Some able undergraduate students, as well as others with unusual capacities for work, carry jobs well in excess of 15 hours a week. The proposed limit might require difficult and undesirable alterations in some graduate programs, and it might tend to complicate matters for some unusual undergraduate students who need the earnings from more than 15 hours of work and who can carry such programs successfully.

In addition, such a limit could well complicate the delicate task of paying similar wages for comparable jobs. As the bill stands now, an undergraduate who earns the maximum of $1,000 ($500 each from his institution and the Commissioner) in term-time employment could work only 450 to 480 hours during the typical schedule of 30 to 32 weeks of class meetings. Thus, he would have to be paid wages on the order of $2 an hour, and a graduate student could command about $4 an hour. Such a wage scale for some, but obviously not all, student employment on a campus would cause harmful dislocations within a college community.

The committee reacts with the feeling that this is another matter wherein institutional judgment would yield best results. Experience with working students shows that 15-hour jobs are too much for some students, while others can safely and profitably work substantially more and need to do so to meet their expenses. The individual financial aid or employment officer, working with such colleagues as the admissions officer and dean of students, is in the best position to appraise each individual case and, at the same time, to fulfill his institution's commitment to the Federal Government.

7. Supplementary nature of the program

In its reports, this committee has attempted to emphasize the point that any program putting additional public funds into education should supplement, but not supplant, existing sources of educational revenue. We note that the proposed work-study program would have that effect by requiring each participating institution not to reduce its own student employment expenditures below the average amount it spent for such purposes during the 3 preceding years. Consequently, a participating institution would stand to benefit in two ways: first, the portion of its existing student employment budget used to pay for educationally related work would be matched by Federal funds; second, additional money spent for employing students in such jobs would also be matched by the Commissioner (up to the limit, of course, of the institution's total allotment). Thus, an institution would have good reason both to find new ways to use students in existing jobs and to develop entirely new student jobs of an educational nature. This, we firmly believe, is a particularly important and exciting feature of the new bill.

8. Consistency in wage rates

We have commented above on some of the implications of the $500 and $1,000 limits on the Commissioner's payments. Additionally, the committee recognizes the possibility of serious administrative difficulties in the absence of rather detailed guidelines for institutions to follow in establishing wage rates for various types of work. Some institutions might, through inexperience or different interpretations of purposes and goals, pay students substantially different wages for similar jobs. Some inconsistencies are, of course, both inevitable and proper, but harmful ones could conceivably occur within single institutions, and it is not at all difficult to foresee them occurring among several institutions where various pertinent factors—regional location, tuition, living costs, and the like—are quite similar. For reasons such as these, we suggest that the Commissioner publish, from time to time, information about typical wages being paid for various kinds of student jobs at institutions throughout the country, and that the annual reports to the Commissioner provide such information.

9. Extent of commitment

By agreeing to operate the program itself, a participating institution would be making a commitment that could well be as demanding as operating its share of the national defense student loan program. Participation would require most institutions to devote considerably more administrative time to student employment than they are devoting presently. For many institutions this would mean supporting a full-time person responsible for student employment, and some of the larger universities would probably require at least one person just to supervise the administration of all forms of student aid, including employment.

The person responsible for student employment would necessarily become involved with many elements of his institution: the admissions office, to help assign jobs to new students and to estimate an entering student's capability to do satisfactory academic work while carrying a part-time job; the financial aid office, for need analysis and other forms of financial assistance for which the student might be eligible; the dean of students, for an analysis of whether or not marginal students are performing satisfactorily; the university personnel office, for job availabilities and wage rates; and numerous other campus people who either employ or supervise student workers. In addition, he would have the considerable responsibility of compiling annual reports to the Commissioner and helping to make certain that his institution's obligation to the Government was fulfilled.

We confidently predict that such a person would encounter major perplexities and difficulties within his own institution, but we also feel that, properly done, the job would make an outstanding contribution to his institution. Experience with relatively well-developed student employment programs suggests that about 5 percent of an institution's total salary-wage expenditures can, with some effort and planning, be paid to student workers, and a goal of 10 percent is not unduly optimistic. For many institutions, paying students even 5 percent of the total salary-wage budget would represent a truly impressive increase in its total student aid resources.

10. Sources of institutional funds

The provision that the source of an institution's share of this program would be unrestricted (other than payments from the Commissioner resulting from the program) leaves the committee uncertain about the intent of this particular part of the proposed legislation.

If the intention is that Federal payments should support only jobs appearing on the institution's regular payroll, then we think the concept puts an unnecessary limit on the potential benefits of the program. We feel that a broader objective would be desirable, in order to encourage colleges and universities to develop a variety of work programs that would help able, needy students to continue study beyond secondary school.

If, on the other hand, this provision can be broadly interpreted so that some jobs not on the regular college payroll can qualify for matching Federal grants, the committee thinks that this provision needs to be clarified and expanded with some indication of limits. There are many sorts of educational student jobs for which compensation is not paid directly by the institution. One obvious example is the on-job assignment of the typical cooperative work-study program. Should wages paid in such a program be eligible, in certain circumstances, for matching grants under the terms of this bill? We would hope so, in the belief that such programs offer an important path to college for many able, needy students. As further examples, we think of various assistantships for which the faculty member himself, rather than the institution, pays the student assistant; or students who are hired as substitutes or teachers' assistants in public school systems; or students who work for hospitals, youth groups, and social agencies. No definitive review of all such jobs is now possible, but clearly there are many opportunities of this sort to serve the general intent of the bill ("* * * to stimulate and promote the part-time employment, by institutions of higher education, of their students who are in need of the earnings * * *"). We hope there can be a broad but practical approach to the question of who actually pays the student for performing a specific job. To this end, we suggest that payments to students by the institution or its agent for educationally related work qualify for the matching funds. The institution would then describe in its annual reports the nature of its agents.

V. ADDITIONAL COMMENTS

While this completes our brief provision-by-provision review of the work-study concept, the committee made various additional observations that might be of interest to the educational community.

1. Summer jobs

The bill makes no direct reference to what part, if any, summer employment might play in such a program. To this we have two reactions. First, many on-campus opportunities for educationally meaningful employment exist even during the summer vacation period, and it is entirely possible that colleges and universities could do much to develop such opportunities in keeping with the intent of this bill. Second, if summer employment of students who are carrying less than a full academic program does not qualify for matching grants, it seems likely that the thrust of the program would be toward the three-term and four-quarter institutions that are tending to reduce the traditional summer vacation, which in turn figures heavily in the earning plans of many students. We would hope that the program could accommodate both full-time and part-time summer students who are carrying educationally meaningful jobs, and we suggest that thre is need for a careful definition of a full academic summer program.

2. Developing greater earning capacity

Supplementing our comments on the possibility of $2 and $4 hourly wage rates for students, we note impressive institutional experience with training students to develop skills in order to earn wages above the minimum that is usually paid for unskilled or semiskilled labor. We commend this concept to the educational community for many reasons, including the probability that as jobs for unskilled workers diminish in our economy, the unskilled part-time student worker will encounter increasing difficulty in finding employment. The training concept could well become a major factor in institutional student-employment programs.

3. Similarity to development of loan programs

As this report suggests in various ways, participation in such a program would be a major undertaking for most institutions, and many might look askance at the concept for that reason. Therefore, it might not be inappropriate to recall that in 1958 very few institutions had a clear idea of how to operate a loan program successfully. A few colleges and universities had demonstrated the fact that a loan program could be an important element in a student aid program, even as today some institutions have developed student employment into a major source of student aid. Under the stimulus of the national defense student loan program, colleges and universities generally undertook to reassess their attitudes toward loans, to bring together facilities and people necessary to operate the program, and to develop in less than 5 years a dimension in educational financing that has become virtually indispensable.

Perhaps the majority of colleges and universities have similarly used little imagination in developing part-time employment into a major, integrated part of student aid programs. All too often student employment operates entirely apart from the rest of the financial aid structure. Campus employers generally prefer to deal directly with students, feeling that in this way they can best assure themselves of promptness, dependability, and effective performance.

As a consequence, assignment of student jobs is rarely related to students' financial needs or to the judicious balancing of work with other forms of financial aid to provide the total financial support necessary. The serious need to bring more young people into college often goes unrelieved for lack of planned use of guaranteed jobs to reduce the formidable financial barriers that, in one way or another, keep many young people out of college. And as a further consequence, student aid programs that do not encompass part-time employment suffer an imprecision, a lack of the fullest possible coordination between needs and resources, that necessarily causes some wastage; individual amounts of waste are likely to be small, of course, but taken collectively they can add up to a substantial leak in a student aid budget. Such problems can be overcome, we think, and important benefits achieved, if institutions generally will approach student employment programs with the determination and effort that characterized their response to the national defense student loan program. We suggest that colleges and universities can ill afford to tolerate the lack of centralized effort and planning that cause, on most campuses, many remunerative and educationally valuable opportunities for student employment to go untapped, and we think that imaginative, determined institutional efforts to expand the number and types of student jobs would benefit the entire educational community.

VI. SOME OTHER ASPECTS OF THE NATIONAL EDUCATION IMPROVEMENT ACT OF 1963

Although the committee devoted most of its time to considering the work-study proposal, inevitably it reacted to other proposed legislation that would affect student aid programs throughout the Nation. These reactions can be summarized as follows:

1. The act would direct the Commissioner of Education to study the extent to which capable students either fail to attend institutions of higher learning, or fail to complete degree programs once they have enrolled. The Commissioner would be directed to pay particular attention to the probable effects of a Federal scholarship program on these problems.

The committee's two previous reports comment in some detail on the characteristics of and need for a well-conceived Federal scholarship program, and our opinions on this subject have not changed in any major way. While we feel that both the need for such a program and the justification for using public funds in this manner have been well established, we endorse the proposed study for several reasons. It would draw additional national attention to the problem. It is a new approach to a complex and delicate problem. It would provide current, detailed information about a fluid situation that tends to change as economic and demographic patterns change. Such a study might help persuade some of the thoughtful, responsible people who remain unconvinced that such a program is both necessary and justified.

2. The Commissioner of Education would be authorized to award 10,000 graduate fellowships a year for the next 3 years, in contrast to the 1,500 fellowships now supported by the National Defense Education Act of 1958. Needless to say, we endorse the concept of federally supported graduate fellowships, which are unquestionably of great benefit to the educational community and to our entire society. The committee believes that well-conceived expansions of such programs would bring further benefits, but we also note that fact that the benefits of such assaults on the trained-manpower program are necessarily related to the size and caliber of the undergraduate pool from which the graduate scholars are drawn. Undergraduate financial barriers that keep students out of college, high attrition among undergraduates, and the heavy debts many students incur during their first 4 years combine to limit the effectiveness of graduate programs. We think it quite apparent that the national need for additional highly trained people, as reflected by the proposed addition of 8,500 fellowships a year, is further evidence that the flow of undergraduate students needs strengthening.

3. To the proposed revision of the debt-forgiveness concept in the national defense student loan program, the committee has a predominantly neutral reaction. At the present time, up to a half of a Federal loan obligation may be forgiven, at the rate of 10 percent per year, for a person who teaches in a public elementary or secondary school for at least 5 years. The pending bill would extend this forgiveness to private school and college teachers, and would make the forgiveness rate 25 percent per year for active teachers who return to the campus for additional study, using the national defense student loan program to help them do so.

In our opinion the forgiveness concept probably tends to hold some prospective teachers to that decision when they are tempted to strike off in other directions during undergraduate study; furthermore, the forgiveness concept might first draw the teaching profession to the serious attention of some young students who otherwise would never seriously consider such a professional goal. There is, to the best of our knowledge, no evidence bearing precisely on the effects of the forgiveness concept. But if, as seems likely, it has some beneficial results, we favor its proposed extension, and we also suggest that it might usefully be extended to people who enter other service professions where the public need for competent people is high and the material rewards are low.

CONCLUSIONS

This committee offers the educational community a single, fundamental conclusion about the National Education Improvement Act of 1963: The work-study proposal merits, even demands, the most serious attention of everyone who is concerned about the relationship between the cost of higher education and the meaning of higher education ot us individually and collectively. It is an important, thoughtful effort ot loosen the financial bonds that constrict the flow of educational benefits into our society. As such, it deserves an equally thoughtful response from the educational community.

John U. Munro, Dean, Harvard College, Chairman; James F. Carr, Jr., Director of Financial Aid, Florida State University; Herbert O. Farber, Vice President and Comptroller, University of Illinois; Robert K. Hage, Director, Office of Financial Aid, Dartmouth College; Rodney J. Harrison, Director, Student Financial Aids and Scholarships, Ohio State University; Harriet D. Hudson, Dean, Randolph-Macon Woman's College; Joe Jefferson, Executive Secretary, Association of College Admissions Counselors; Arthur S. Marmaduke, Executive Director, California State Scholarship Commission; John F. Morse, Executive Associate, American Council on Education; Henry F. Rossi, Registrar, St. John's University (New York); J. Edward Sanders, Dean of Students, Pomona College; Charles C. Cole, Jr., Dean, Lafayette College, ex officio.

Dr. Munro. Mr. Chairman, that concludes my testimony. I am grateful for this opportunity to speak of my own warm enthusiasm for Mr. Hartke's fine bill.

Senator Morse. Senator Yarborough?

Senator Yarborough. I congratulate you, Dr. Munro, on your statement, particularly that earlier part where you stated the perplexity of finding, in a democracy, educational aid for those who need it. I think the most important and most needed thing in a democracy is the development of the talent of the young people. Yet there is a great objection to that over the country. It is almost a shibboleth all over the country. Everybody in the part of the country where I live states he is against Federal aid to education of all kinds.

Now this is, I think, a perplexing and maybe a discouraging task for a college administrator, but it seems that the colleges have got to do a reeducation job on college graduates, because the organizations that are fighting this aid the hardest in this country that I run into in the hustings, on the street corners, and in the public buildings where I go as a politician, to try to create sentiment for the things I think are right, are your chambers of commerce, the National Association of Manufacturers and branches, practically all of them run by graduates of the universities. They are out there fighting these programs for public moneys in education.

Dr. Munro. It is a terrible comment on college education, Senator.

Senator Yarborough. I will admit that I am greatly perplexed by it, coming from an area where education was a cure-all. If we educate these people they immediately turn around and start fighting educating others.

Dr. Munro. There is another point here that springs to mind as you speak of it, and that is the difficulty of mounting an effective talent hunt in this country, if it is left to the colleges, which it is now mainly. You have over 2,000 colleges in the country, and they operate all as small individual sovereignties with a great tradition of independence, and a lot of competition one with the other for quality of students.

We have been working very hard on that part of it for 10 years, especially in the College Scholarship Service. But you don't have in the higher education community across the country a united effort in that direction.

Now this is a troubling thing, because you don't have it in the schools either. You know the schools, you have got 25,000 high schools in the country, and most of them are little sovereignties with local school districts, and they are dependent on money they get locally and on their traditions locally.

And so you get great disparities from one community to another in this matter as to wealth, intention, and knowledge of what to do, and perfectly terrible communications across this great system that we depend upon. That I think underlies my feeling of the value of a Federal program, and points to some of the ways the Federal program ought to work.

This is why I like the loan program so much, the National Defense Education Act loan program, because it forced colleges to face this resource. A lot of us were working on loans a long time before the Congress was ready to take the lead, and the other colleges were ready to take the lead.

The same thing is true now with the job program. There are still people in this day and age who don't see the power of the institution, the college, to develop a strong job program for its students, and this bill would require that, and would be a terribly important extra piece of pump priming that would go on from the Congress.

Any time the Congress can impose a system on the colleges which will make the colleges tune up their own administration, I think it would be a big help.

Senator MORSE. Senator Hartke, we are delighted to have you with us. I want you to participate in asking questions along with the members of the subcommittee. Are there any questions? You may proceed.

Senator HARTKE. Thank you, Mr. Chairman, for giving me an opportunity to be with you. Dr. Munro, in your opinion, is it possible for the opportunities—especially the work opportunities—to be expanded materially in most of the colleges throughout the United States?

Dr. MUNRO. Yes, sir.

Senator HARTKE. I know you have indicated that there was a lack of what you considered initiative in this field, but taking your own case, for example, where you are fully acquainted with the advisability and desirability of such programs, could you even expand your own program if the financial aid were there?

Dr. MUNRO. The job program?

Senator HARTKE. Yes.

Dr. MUNRO. Yes. This kind of job we can always find students for, where you have got educational jobs. This is much prized by students and comes to them as an important part of their college experience as a matter of fact.

Senator HARTKE. The limitation under which you are suffering is again one which is primarily a question of finances, that is the question of being able to finance the student.

Dr. MUNRO. Yes, sir.

Senator HARTKE. In the work study program.

Dr. MUNRO. Well, yes. We have a limit on the amount of institutional money that we have put into this kind of thing, because this really comes out of free money of the college. The jobs that we can get in the dining halls, in the labor force of the college or out in the town, and we work hard to mobilize them, are not as good for certain purposes as what you are describing here.

Senator HARTKE. Thank you. Thank you, Mr. Chairman.

Dr. HORN. May I make one comment, Mr. Chairman, in regard to Senator Hartke's statement?

Senator MORSE. Yes.

Dr. HORN. At our institution, such as the University of Rhode Island, one-fourth of all undergraduate students applied for employment last year on campus. Only one-fifth were able to be accommodated. We have recently had to cut down that employment because we had to raise the rates, but we didn't have enough money to increase the employment proportionately.

I am certain that the only thing that holds us back from very meaningful employment is the lack of institutional funds to do this.

May I say, also, sir, that I think your emphasis on academically related work is extremely important, instead of pushing a broom around, which I have always opposed. But as long as we can relate this to the student's academic program as we can if we have the funds, that is very meaningful.

Senator HARTKE. It is so much better than going into the dining hall or into a filling station.

Dr. HORN. Right.

RIBICOFF AMENDMENT

Senator MORSE. Apropos of Senator Yarborough's cogent observation as to the problems which we face in eliciting support for various forms of Federal assistance to students in the field of education, although I recognize that there are some sincere and honest differences of opinion among us on that subject matter, I found many things that were quite paradoxical in our debate on the Ribicoff amendment this year. Much of the drive for the passage of that amendment came from the people in the very groups which were vehemently opposed to Federal aid to education. Yet the thrust of the amendment was a Federal aid to education program, for the benefit of a group which needed it the least. The amendment failed to provide real educational assistance to the children of the families in the lower tax brackets.

The Senator from Texas is quite right. We have ahead of us a terrific job of educating our college graduates who comprise, in no small percentage, the forces behind the Ribicoff amendment.

The Senator from Indiana knows that I have told him this. He was of great help to me, in my opposition to the Ribicoff amendment. I had been asked by the administration to be the floor leader in opposition to the amendment. When we started, although I am not a higher mathematician, I can count political noses. I knew when we started we were in severe difficulty. Various things turned the tide.

The observation that I have just made helped, but I think the thing that really turned it was the assurance that I was able to give as chairman of this subcommittee that we would proceed with hearings on the Hartke bill. I think the possibility of getting the Hartke bill in some form did more to win us the necessary votes to beat the Ribicoff amendment than any other argument we were able to use.

I think, therefore, we have a great obligation to see to it that we bring out of committee and through the Congress a much fairer students' assistance program than the Ribicoff amendment could possibly have provided, if we really want to help the students in greatest need in this country.

I make this observation because I want the record to show that I think you have a choice between alternatives. You either adopt a Hartke type of a program or you are going to get a class discriminating Federal Aid program such as typified by the Ribicoff amendment. The latter will work one injustice after another. It will simply increase again the tax burden on other people to the benefit of those who happen to have children old enough to go to college.

If I ever saw an example of class-conscious legislation, that was it. The record is perfectly clear that by 1970 the Ribicoff amendment would have cost the country $1,300 million. Just think what half of that sum would do in a scholarship program. The close vote on the amendment shows what a political wave can do, once it starts rolling. Because there are still many people that seem to think that the tax route is the solution. It is really no solution at all.

It would greatly intensify the problems. I was visited by a group of presidents of private colleges some weeks before the debate on the Ribicoff amendment. They were of religious denominations. I said: "Gentlemen, I understand that you plan to raise your tuition fees if you get this amendment."

"Oh, yes; but the parents of our students know that is going to be necessary. That is the way we can get Federal money into our institutions."

That was interesting. I knew them well enough so I could be a little rough. I said:

"You know, gentlemen, I have a little difficulty with the morality of the proposal."

When you start to operate on the basis of this kind of a principle, look out. Unless you have a principle that is uniform in its application and is fair to all involved in the problem, you are asking the Congress to adopt a legislative policy which will boomerang. Until someone can show me that the Hartke approach is inferior, I am going to continue to support this bill. I shall favor amending it in any way we may have to amend it in order to meet some of the observations that were made here this morning and at other times. Such observations certainly don't do anything, in my judgment, from what I have heard today, which would destroy the sound objectives of the Hartke bill.

President Horn, do you have anything further?

Dr. Horn. I just want to say, Mr. Chairman, on behalf of my colleagues and myself we are very appreciative of the opportunity to present these views this morning, to endorse the principles of the Harke bill, and it has been a real privilege, sir, to hear you and Senator Yarborough indicate the insights, the understanding you have of the problems, and to indicate the endorsement of help in this direction of financial aid to students, sir.

Senator Morse. We thank you very much. Senator Yarborough?

Senator Yarborough. Mr. Chairman, I have a comment I want to make in support of the Hartke bill, and in corroboration of Dr. Horn's plea here for scholarships to help these students in the first and second years, particularly.

SCHOLARSHIP ASSISTANCE IN TEXAS

I visited with the president of Sam Houston State Teachers College in Huntsville, Tex., a school with an enrollment of 5,000 students who are preparing to be teachers. About 2 years ago, he stated to me that often a grant of loans of $50 to $100 to a student the first or second year would enable them to stay in college. He had gone downtown to borrow money personally from the banks, signed notes personally to lend students $50 or $100. Sam Houston is a State school. The tuition and the cost of living is low.

This is an old town in the old southern part of the State, and it isn't as high as the large universities. It is the second oldest tax-supported institution of higher learning, in this State.

Dr. Munro, you might be interested in this.

In 1878 Peabody funds sent a lobbyist to the State of Texas. He went to the State legislature and lobbied through a law to authorize the setting up of a State teachers college, and gave it a sizable grant the first year it started off. That was our first State teachers college. That was the second institution of higher learning for which tax support actually opened the doors in Texas, Texas A. & M. University land-grant college being the first. It started that way. That is one of the oldest State-supported schools in the State.

I want to put in that corroborating fact, corroborating what Dr. Horn said about the desirability of grants. It seems to me it is so much better, $100 enabling the student to pay his tuition, then giving him a job in the dormitories sweeping it out, cleaning it up, enabling him to stay in school. It is so much better if that is a grant than to give a promissory note.

He has come from a family perhaps with no resources at all, not even $50 or $100 to pay his tuition for the first year.

By the way, Dr. Horn, you mentioned your service at the University of Cairo. The year before last when I was in Beirut at that university visiting just briefly there, not as an official guest, founded by two Americans, a Presbyterian missionary and a teacher preacher in the 1860's, I was told in the writing of the U.N. charter in San Francisco in 1945 there were more graduates of Beirut University who took part in that than of any other university in the world.

Senator Morse. Thank you very much, gentlemen.

We are now privileged to hear on behalf of the Association of Land-Grant Colleges and State Universities the president of my first alma mater, the president of the University of Wisconsin, Dr. Fred Harrington.

We are delighted to have you, Dr. Harrington. You may proceed in your own way.

STATEMENT OF DR. FRED HARRINGTON, PRESIDENT, UNIVERSITY OF WISCONSIN, MADISON, WIS., ACCOMPANIED BY RUSSELL I. THACKREY, EXECUTIVE SECRETARY, ASSOCIATION OF STATE UNIVERSITIES AND LAND-GRANT COLLEGES

Dr. Harrington. I am Fred Harrington, president of the University of Wisconsin, which as Senator Morse says, is his university. I have with me Russell Thackrey, the executive officer of my association, the Association of State Universities and Land-Grant Colleges. I am chairman of the legislative committee of the association.

Senator Morse. I am delighted to have you both before us.

Senator Yarborough. Mr. Chairman, I am called to another committee. I regret very much, Dr. Harrington, that I won't hear you. I will read your statement.

Dr. Harrington. Yes; I have submitted the testimony and you will have that, Senator.

Senator Yarborough. I have received an urgent call here to another committee. When Mr. Sneden comes up, I wanted to be here too. I wanted to congratulate him on the testimony that he gave on the cold war GI bill, when he testified on it last year at that time for Mr. Fulton, who was unable to appear at the last minute. That was a fine statement.

Senator Morse. Dr. Harrington, you may proceed.

Dr. Harrington. Mr. Chairman, I have prepared some testimony which I would prefer not to read, but would like to have entered in your record.

Senator Morse. It will be inserted in the record at this point.

(The statement of Dr. Harrington follows:)

Prepared Statement of Fred H. Harrington, President, University of Wisconsin, Madison, Wis.

Mr. Chairman and members of the subcommittee, my name is Fred H. Harrington and I am president of the University of Wisconsin, which has campuses at Madison and at other points in Wisconsin; and also chairman of the legislative committee, Association of State Universities and Land-Grant Colleges. Our association is composed of 97 State universities and land-grant institutions located in all the States and Puerto Rico. Their combined enrollment is in excess of 1,150,000, and they grant about 55 percent of all doctoral degrees granted in this country. They range in size from fewer than a thousand students to more than 60,000 located on several campuses.

Before discussing Senate bill 2490 I would like to take this opportunity, both personally and on behalf of our association, to thank the members of this committee individually and collectively for its leadership in connection with the educational legislation passed during the first session of this Congress. This is indeed the "education Congress" and we are glad both for its achievements and for your recognition of the fact that only a part of the needs have been met.

GENERAL

First, may I commend Senator Hartke for the introduction of S. 2490 and this committee for moving promptly to hold hearings on it. The whole educational community and indeed the whole country is aware of the intense interest expressed in relief from the increasing load of college costs upon the individual student and his family in connection with the proposed income tax-credit amendment to the tax-reduction bill. As an alternative to the income tax-credit approach based on income and tuition charges we feel that the approach taken by S. 2490 is infinitely preferable.

Its direct financial aids would go to students who need it most, a group not reached at all under the tax-credit approach. The modest financial assistance proposed to be given to colleges in connection with the scholarship program is in such form as to assist colleges in keeping student charges down, rather than encourage them to increase student charges.

I must also observe, Mr. Chairman, that the chief reason there is such great pressure for relief from the rising cost of higher education to students and parents is that we have been engaged, as a country, in recent years in the process of evading the social responsibility for financing higher education and putting it more and more on the rising generation and their parents. If higher educational institutions were financed by public and private sources to the extent that they should be and that this wealthy country can easily afford, student charges would not be rising to the extent that even families with substantial incomes would be clamoring for relief from college costs. The higher education facilities bill sponsored by this committee and approved in the first session of Congress was a step in the right direction and will contribute substantially toward holding down the rise in student charges. It would contribute more if amended to make the Federal capital contribution one-half or two-thirds rather than one-third of the cost of new and expanded facilities. If institutions are forced by necessity to require students to pay for the cost of their classrooms and other facilities the demand for individual relief from institutional charges will continue to mount. To the extent that institutions are aided to keep their charges down, the need for individual assistance will be minimized.

With respect to specific provisions of S. 2490:

NATIONAL DEFENSE EDUCATION ACT LOANS

In general we would support the expansion of the National Defense Education Act loan program as provided for in section 2 of S. 2490 and section 3(a), part A. We have no basis of judgment as to whether the overall amounts authorized for the program under this legislation are adequate, inadequate, or excessive, but are of the opinion that if the amounts authorized are in excess of need this will be recognized in the appropriations process. We would hope that the time will come when salaries paid teachers are such that no special forgiveness provision for them as contrasted with others is necessary, but that time has not arrived.

These amendments to the National Defense Education Act loan program do not, of course, cover all the amendments needed. Specifically the limitation on the amount of Federal loan capital going to any one institution, now set at $800,000 in any one year, should be eliminated. Students should not be discriminated against on the basis of the size of the institutions they attend, whether these are large or small.

We are of the opinion that in the future this committee will wish to give attention to the problem of administrative costs of the National Defense Education Act loan program, which are in some instances proving a real burden on college and university resources. There is also a question as to whether the language of the present act gives the Commissioner of Education needed authority to determine reasonableness of institutional requests for National Defense Education Act capital loan funds. Funds under the act are allocated by States according to a formula, but there is no formula for allocation by institutions, within the States. There is evidence that institutions which have been extremely conscientious in presenting applications for loan funds have been penalized by what appear to be excessive requests from others. The Commissioner of Education should have specific authority to keep this problem from getting out of hand.

UNDERGRADUATE SCHOLARSHIPS

Our association has not endorsed a Federal scholarship program. We are fully aware of the problem of talent loss and its relationship to financial need. Senator Hartke, in his recent statement with respect to this provision of S. 2490, estimates that about 120,000 students in the upper 30 percent of their high school ability group will not enter college next fall, chiefly because of lack of financial resources, and recommends an initial program of 50,000 scholarships.

We do not question this figure of 120,000 but before endorsing a scholarship program we would like to know more about where the talent loss is occurring. We are of the opinion that the proportionate talent loss in Utah, where per capita public expenditures for higher education are nearly $42 and expenditures per $1,000 of personal income nearly $20, is much less than in the District of Columbia, where per capita expenditures are less than $2 and expenditures per $1,000 of personal income are 55 cents. Among the States, Massachusetts spends $2.35 per $1,000 of personal income; Connecticut, $3,58; Pennsylvania, $3.59; New York, $4.28; and New Jersey, $4.29; as compared to $21.56 in New Mexico; $19.90 in Utah; $18.07 in Mississippi; $17.39 in Vermont; $17.35 in Colorado. On a per capita basis we find $6.47 in Massachusetts; $8.48 in Pennsylvania; $10.92 in Connecticut, while at the other end of the scale we have $45.14 in California; $42.26 in Alaska; $41.88 in Utah; $41.44 in Colorado. It is interesting to note, Mr. Chairman, that no State east of the Mississippi River is in the 12 highest in public expenditures per capita for higher education and that all of the 12 lowest in such expenditures are east of the Mississippi. On a personal income basis only one State, Vermont, is in the highest in expenditures related to personal income, and no State west of the Mississippi is in the lowest 12. In view of these figures, Mr. Chairman, we have some curiosity about the relationship of talent loss to them, some skepticism about the effectiveness of a scholarship program allocated by States in accordance with high-school graduation. None of the many studies which have been made, including Project Talent, is designed to supply this kind of information. It is for this reason that we supported the provision in Senate bill 580 directing the Commissioner of Education to make a thorough study of the problems involved in a scholarship program as a remedy for talent loss.

Having noted these reasons for our formal position on this question, I want again to emphasize that a scholarship program of the kind proposed in S. 2490 would be much more helpful to students who need help most than the tax-credit approach, which would not help them at all. S. 2490's scholarships would help qualified, needy students, and only those students. Its provisions for a modest ($350) flat payment to the institution attended is also designed to help institutions keep their student charges down, rather than to raise them. I would emphasize again, Mr. Chairman, as our association has in testimony before, that any legislation which gears the payment of public funds to educational institutions of the tuition fee is basically unsound to that extent. Institutions base their instructional charges to students on a wide variety of considerations peculiar to them, of which the cost of instruction is only one. On the basis of average costs per student enrolled, virtually all colleges and universities subsidize their students fairly heavily through public or private sources of support. But this does not mean that undergraduates in relatively low-cost instructional programs may not be in some instances helping to subsidize the very heavy cost, running into thousands of dollars per year, of certain advanced professional schools, while in others they are not. This is, and ought to remain, a matter of institutional policy, but it also suggests that this is not a sound basis for reimbursement by the Federal Government. The Hartke bill's provision for institutional payment is well below the cost of any undergraduate program, and would thus be equitable.

We would respectfully suggest, however, that the bill be amended to bar payments to institutions which discriminate in the admission of students because of their religious faith, since title VI of the civil rights bill now before Congress does not include this provision.

INSURANCE FOR LOANS TO STUDENTS

Our association has not formally endorsed this plan but in view of the evidence presented by Senator Hartke in support of it, I believe it would be useful. Certainly there is a need for loans at reasonable interest for students who are not in the high-scholarship bracket and therefore ineligible for scholarships, and may not qualify for the National Defense Education Act loan program. Such students will benefit from higher education and become some of our finest citizens. To the extent that it is practicable, such loans ought to be handled through private channels, and S. 2490 proposes a way to facilitate doing this at reasonable interest rates. Through the United Student Aid program and other similar plans, such loans are now available in a great many communities. If part C of title II of S. 2490 will make them even more widely available it will help.

WORK-STUDY PROGRAMS (PART D, TITLE II)

Our association has on several occasions suggested an experimental work-study program, and specifically supported the proposal in Senate bill 580, the comprehensive aid to education bill. There is no question but that the opportunity to work at jobs related to their educational interests is helpful both to students and to the institutions they attend. The need for work to be done and the demand for employment is such at many institutions that a very substantial expansion of funds for this purpose would be welcome. Lines 6 through 21 of section 232(b) appearing on page 37 of S. 2490 specify that in the event the total requested by institutions within a State exceeds the amount allocated to the State, all allocations will be reduced proportionately. This parallels language used with respect to the National Defense Education Act loan fund. We urge that this language be amended to provide that the Commissioner of Education be authorized and directed, with the aid of an appropriate advisory committee, to set standards by which the prima facie reasonableness of requests may be determined, and that no institutions be permitted to receive an amount in excess of such standard if such action would result in any institution's having its allocation reduced below such a standard.

Specifically, Mr. Chairman, it is unfair both to the colleges and universities and to the Commissioner of Education to establish a situation under which an institution which makes a careful estimate in relation to its own needs and those of other institutions in the State finds its allocation reduced by the same flat percentage as an institution which makes an excessive request. Unless the Commissioner of Education is given and exercises the authority to set some standard of reasonableness, it will be necessary to ask the Congress to amend the legislation to provide for a flat formula allocation to institutions. We hesitate to do this, because the needs of students in various institutions differ, but the few who make unreasonable requests should not be permitted to penalize the many who do not.

We also suggest that in view of the magnitude of the proposed program and the inclusion of noneducational public service employment in its scope, consideration be given to providing for at least a sharing of administrative costs. The detailed type of recordkeeping required under this proposed program will entail a substantial amount of increased administrative costs.

In conclusion, Mr. Chairman and members of the committee, may I express my appreciation of the opportunity to appear before you, and to Senator Hartke for his initiative in sponsoring this legislation.

Dr. Harrington. Since your time is short, I will make a brief oral statement on it. I speak for the Association of State Universities and Land-Grant Colleges. These of course are the public universities. We have somewhat over a million students, about a quarter of all the students in higher education, somewhat more than half of the Ph. D. students. These institutions want to compliment you, Mr. Chairman, and all your colleagues on what you have done for higher education for many sessions but particularly this year we feel that this is an education Congress in the full sense of the word.

Opposition to Tax Credit Proposals

We would also like to compliment you on your work against the tax credit for higher education. We in our association have taken a stand against this tax credit. We feel that it cuts into the tax base, and as you, Senator Morse, stated, we believe that it discriminates against the low-income parent, the low-income student, and actually it will result in an increase in tuition in institutions and no real relief to the taxpayer. So we wish to express our pleasure and satisfaction that the tax credit for higher education was defeated.

We feel that Senator Hartke's bill represents an alternative much preferable to the tax credit, that is a program of positive assistance to higher education, and is a part of the program of assistance to higher education which our association very much supports.

We in our universities are not new to this Federal aid business. We have had Federal aid for a hundred years since the land-grant college bill was passed in the Lincoln administration. On the other hand, we recognize that many citizens of the country are reluctant to provide Federal aid to education, and we are not suggesting that we are trying to shift the burden from the States to the Federal Government. We are merely asking the Federal Government to assist in our critical areas.

We have a great deal of work to do in the States. We note that the States vary greatly as to the amount of money they contribute to public higher education all the way from $2 per capita in the District of Columbia—of course, that is not a State, but a number of the Northeastern States are not much above it—to beyond $40 per capita out on the Pacific coast, so these States have a great deal more to do along with whatever the Federal Government does.

SUPPORT FOR TITLE II, NATIONAL DEFENSE EDUCATION ACT PROPOSALS

We do, however, wish to indicate our satisfaction with the National Defense Education Act program, and like the previous speakers, indicate that we want this continued and expanded.

As Senator Hartke has suggested, we want the top taken off this $800,000 limit. After all, a great many of our State universities have so many students that this is a severe limitation on us. We at the University of Wisconsin have 37,000 students now, and we expect to have 75,000 students in 10 years.

Thus the limitation means that we have less per capita for our students than smaller institutions, although we must provide a very large part of the education. We believe that this whole National Defense Education Act loan program needs to be looked at very carefully.

We do run into this problem of administrative expenses, and I would hope that your committee would look at that. But the main point is that this does have to be expanded.

SUPPORT FOR WORK-STUDY

I would like to join Dr. Muroe in saying a good word for the work-study program. We supported the work-study program in the original comprehensive education bill, S. 580. That was on an experimental basis only.

Senator Hartke in his bill would very materially expand the work-study program, and we think this is excellent, particularly because of the educational connection of the kind of work that could be done here.

Our students at the University of Wisconsin come from all sorts of families, but predominantly middle and lower income, about half our students from families with less than $7,000 a year in income, and thus the work-study program is very important to us.

More than two-thirds of our students work when they go through the university.

COMMENTS ON SCHOLARSHIP PROPOSALS

As for the scholarship programs, as I have said, we consider this much more desirable than the tax credit. On the other hand, our association has not formally endorsed a broad scholarship program. So far our position as an association has been to support S. 580, which proposes studies preliminary toward a scholarship program.

We feel that there are many problems in this scholarship area; for example, the opposition of many Members of the House to the scholarships, and we feel that this is a subject that needs further exploration, although, as I have said, we infinitely prefer it to a tax credit program.

We also favor insurance for loans for students, although we subscribe to the position the Senators have—we do not favor this guarantee so as to make money for commercial interests. We feel that private enterprise should be encouraged to lend at low rates. Unfortunately, private enterprise sometimes lends at high rates, and if by a guarantee program we can get this rate down, we will be helping our students.

Senator MORSE. Thank you very much, President Harrington. Mr. Thackrey.

Mr. THACKREY. I do not have any statement.

Senator MORSE. We are glad you were with us. I know, if President Harrington ever needs any assistance, your counsel would be most helpful. I feel he is always able to present the key facts very well as he has again demonstrated this morning in oral testimony. I am sure his prepared statement which I have had printed will also reflect his ability. Senator Hartke?

Senator HARTKE. I want to thank you, President Harrington. I did take the liberty of scanning your statement and I want to thank you for the fine statement that you have there.

Mr. Chairman, I do want you to know that I do know Mr. Thackrey and, although I know that the good president does not need any assistance, I think that Mr. Thackrey probably could stand on his own two feet in this field, and quite ably acquit himself in the field of education.

I was just wondering, in my own State, of course, I am not too sure that I am on the right side politically of this issue, as you probably know.

Dr. HARRINGTON. Yes, we know.

Senator HARTKE. But be that as it may, you say you anticipate an increase by 1970 up to 75,000 students.

Dr. HARRINGTON. Yes, a great many of our public institutions will be doubling, because the number of college-age people is increasing by almost that amount.

And of course, in addition to that, the rate of college-going is going up. We want it to. We feel that the disadvantaged person who is capable of going to college and does not go is likely to be a liability to our States and our Nation and we will have to support such a person, whereas, if able to go to college or a university, able to secure an education so that that person can contribute to the tax base, then we will be that much ahead.

The difficulty is, of course, for the next 10 years the number of college-age young people is increasing much more rapidly than the number of taxpayers, so the next 10 years is a tough period.

Senator HARTKE. I might say I have borne my fair share. I have seven children. That is all I have.

Dr. HARRINGTON. I guess I should apologize, Senator; I have only five.

GROWTH IN COLLEGE POPULATION

Senator MORSE. I thank you again for emphasizing this morning what will be happening to our college population. That was one of the most effective arguments that we were able to use in connection with getting through the Congress the Morse-Green higher education bill which was Dr. Logan Wilson's testimony on this point, which stood up in all of our hearings for weeks, and which was never successfully challenged, indicated that by 1980 the college population, if we meet the need, will have doubled. That is 16 short years away.

He pointed out that we will have to build at least 1,000 new colleges with an average population of 2,500 students each, in addition to doubling the capacity of every existing institution.

As an old teacher, I know the educational advantage of repetition in the learning process, and that is why I wish again to stress also the wisdom of what President Johnson has done, in appointing a national automation council. I urged this step a few years ago, and in early 1963 I brought it up again by writing a joint letter to a group of Cabinet officers, in which I said I considered the consequences of automation to be the No. 1 domestic issue. In my letter I suggested to those Cabinet officers, because their departments are so involved in the problems flowing from automation, that they urge upon President Kennedy the appointment of such council.

You recall that he did propose the Council. He first proposed it in connection with his stand on the railroad crisis of more than a year ago.

Someway, somehow, we must use our educational facilities in this country to bring the American people to understand that it is a shortsighted national policy which does not educate the young of this country to the maximum of their potentialities.

I think the higher education bill we passed in the last session is very important. I want to say to you, as educators, I think time will also prove the vocational education bill to be even more important in respect to meeting the problems of automation.

The group that concerns me the most in our citizenry is the increasing group of unemployables. I often talk about the ever enlarging and deepening pool of unemployability, not of unemployment. Unemployment, as serious as it is, does not begin to be the problem that unemployability is becoming. We are not going to meet this problem of unemployability unless we do something to develop the skills and the training of these tens of thousands of young people who are dropping out of grade school and high school. As they drop out, they simply enlarge the population of public charges in one way or another. Even my generation can see how critical this problem is, and that is why you find me working as hard as I am working, not only on the higher education aspects of the problem but also on the vocational education end.

Dr. HARRINGTON. Yes, Senator, all of this is one package, and of course we in higher education train the teachers for vocational education, and we also do a great deal of the research which makes possible the improvements in that area.

AUTOMATION FACTOR

Senator MORSE. I thought one of the vitally important statistics that were developed in our earlier hearings deserves emphasis. If we could now stop automation at its present level, and of course we cannot, we would not want to if we could, for we cannot turn back the hand of technological progress, but if we stopped it now the data show that in the next 15 years we would have to supply some 25,000 new jobs a week to meet the losses of jobs that the present level of automation will continue to cause for the next 15 years.

When you add to that the 35,000 additional jobs per week that we have need to find someway, somehow, to take care of the present population increase as new workers are added to the workers, we see what this problem of automation and this serious problem of the ever deepening pool of unemployability is creating for our economy.

Mr. Lee just handed me a note giving me additional vital statistics that I would like to get into this record.

Secretary of Labor Wirtz has said that 4,000 jobs a day are disappearing because of automation—4,000 jobs a day. You can see why I have concerned myself with this matter of automation and why I have been urging the appointment of a National Presidential Council on Automation.

I am delighted that President Johnson is fully aware of the views that some of us hold. He shared those views in conversations with us when he was in the Senate, and later as Vice President, and I am delighted that he has seen fit to appoint the Automation Council.

But as you say, Dr. Harrington, this is all part of the package and it involves one of the greatest challenges of adult education at the voter level that we have ever had.

Senator Hartke does not know whether he is on the right political side of this matter or not.

My answer is, he sure is. I want to tell him why I say that.

You are always on the right side when the opposition cannot answer your facts. Your job is to get the facts to the voters. That is difficult, I grant, but do not worry whether or not you are on the right side. You had better worry whether or not, and all of us need to worry whether or not, we can get the people such as those who sit in front of us this morning to do a better job of citizen statesmanship than they have been doing, because it is only to the extent that people at the community levels help us get out the facts that we will be on the right side on election day.

After all, that is not so important either. Fundamentally it does not make any difference whether we stay in office or not, provided that, when we are in office, we do the kind of job that Senator Hartke is doing with this bill. Of course, we need to have the kind of abiding faith in the people that I have, may I say, President Harrington, since I came from your bailiwick where I was nurtured and trained in the progressive tradition of Wisconsin. Although some things have happened in Wisconsin in recent years that I am not too proud of, it has a great heritage and the roots are still there. They may need only a little political water on them, I think, in order to flower again.

I am speaking half facetiously, but only half. We do have a job at the grassroots level to get the people to see that they are going to get the kind of legislation from the Congress that their own level of citizen statesmanship dictates. This may be discouraging sometimes, but not for long. I made these comments only because anything I can ever do to stimulate educators to do more educating is all to the good.

I want to thank you gentlemen very much for your contribution.

Counsel has a question.

WORK-STUDY COMMENTS

Counsel Forsythe suggested that I ask you if there are any comments that you want to make on the opposition to a work-study program based on the argument that the institutions of higher learning cannot find the jobs to swing the program.

Dr. HARRINGTON. We do not feel that there is any question about that. We recognize that you have to show some imagination to work out these jobs.

We also know that in some universities there is an objection to having students working at educationally related jobs because you have to teach them along with their doing the work. But far from having a shortage of these jobs, the modern university with its great growth has all sorts of work that needs to be done in our laboratories and our libraries and in our educational administration that we feei must be done in the future.

At the University of Wisconsin we have been taking a look at the possibility for work-study in case we had money. Indeed, we are starting a work-study program at the University of Wisconsin this year, although we do not expect to have money this fall, we are already launching this, and we have found that while there was some initial feeling that the students would not do very well or that there were not any jobs, that actually there is a great deal here that will make our university's work better.

Mr. FORSYTHE. Did you go into it deeply enough yet to have an estimate of jobs just within the institution that you could provide if you had the money?

Dr. HARRINGTON. We have not any exact figures on this, but it is our feeling that we could take care of something like a quarter of our students in this respect.

Mr. FORSYTHE. Just within the institution, not getting into the public service part covered by Senator Hartke's bill outside of the institutions?

Dr. HARRINGTON. Yes.

Perhaps I speak in Wisconsin terms which are a little different from some other places.

A great deal of the work inside of the university is related to these other organizations, because we have a very close State agency-university collaboration. Yes, I think that in most institutions you would have to go outside the university toward these other agencies that the Senator has mentioned to make as much as a quarter.

Senator Morse. When I was a student at Wisconsin, I recall part of the student work program at that time was closely correlated with the State government. I remember that great legislative reference service at the capital in which students in economics, political science, and the law school, were used in connection with that service for research and also for so-called menial positions, but in those menial positions they learned a lot.

Dr. HARRINGTON. We persuaded a lot of people to go into public service, Mr. Senator.

Senator MORSE. That is right.

Anything further, Senator Hartke?

Thank you very much, gentlemen.

Dr. HARRINGTON. Thank you.

Senator MORSE. Our last witness this morning will be Mr. Robert W. Sneden, president of the Davenport Institute, Grand Rapids, Mich.

We are delighted to have you. You may proceed in your own way. Mr. Fulton is accompanying you.

STATEMENT OF ROBERT W. SNEDEN, PRESIDENT, DAVENPORT INSTITUTE, GRAND RAPIDS, MICH., ACCOMPANIED BY RICHARD A. FULTON, EXECUTIVE DIRECTOR AND GENERAL COUNSEL, UNITED BUSINESS SCHOOLS ASSOCIATION

Mr. SNEDEN. Yes. Mr. Fulton is the executive director of our association.

Senator MORSE. I have, Mr. Sneden, a copy of your full statement with the backup material. I shall have it inserted in the record at this point.

You may proceed in any way you wish.

(The prepared statement of Mr. Sneden follows:)

PREPARED STATEMENT BY ROBERT W. SNEDEN, PRESIDENT, DAVENPORT INSTITUTE, GRAND RAPIDS, MICH.

Mr. name is Robert W. Sneden. I am president of the Davenport Institute, Grand Rapids, Mich., which is a junior college of business accredited by the Accrediting Commission for Business Schools. For nearly 20 years, I have been associated with business education, including service on the board of directors of the National Business Teachers Association.

Also, by way of background, I am the president of the United Business Schools Association, which is the one association of educational institutions in which nearly 500 of the quality independent (i.e., nonprofit or taxpaying) business schools and junior colleges of business of the Nation hold membership. The roots of the organization go back to 1912. However, many member institutions have a history of service in excess of 50 or 75 years. There are 24 business schools which were founded over 100 years ago.

The present name, United Business Schools Association, is the result of a merger in May of 1962 of the National Association & Council of Business Schools, of which I am a past president, and the American Association of Business Schools. Our companion organization, the Accrediting Commission for Business Schools, was founded in 1953 and in 1956 it was added to the list of nationally recognized accrediting agencies published by the Commissioner of Education for purposes of the Veterans Readjustment Assistance Act of 1952 (Public Law 82–550) and the National Defense Education Act (Public Law 85–864).

Although there are more than 1,200 business schools and junior colleges of business, the accrediting commission has, after more than a decade of service to higher education, extended accreditation to only 216 schools. The latest "Directory of Accredited Schools" is attached as exhibit A. We feel that it has carried out creditably its professional task in its special area of responsibility and in a manner favorably comparable to other professional and regional accrediting organizations. I say "higher education" because United Business Schools Association, which created and sponsored the accrediting commission, is an affiliate of the American Council on Educztion.

In a just-published book, "The Independent Business School in American Education" (McGraw-Hill, Inc., Library of Congress Catalog No. 63-20814) Dr. Jay W. Miller, president, Goldey Beacom School of Business, discusses in detail such matters as—

(1) Function of the independent business school;
(2) Educational policies and procedures;
(3) School structure and organization—trends toward nonprofit corporate structure;
(4) National accreditation;
(5) State certification; and
(6) Historical development of independent business schools.

With this statement I file a copy of the book with the hope it may give detailed information in answer to questions which members of the subcommittee might raise.

STATEMENT OF POSITION

The purposes of this statement are:

1. To express our support for the principle advocated by Senator Vance Hartke, of Indiana, who through S. 2490, would expand title II of the National Defense Education Act loan program to include students in terminal programs of less than a bachelor's degree objective.

2. To voice our deep concern for the needy students in the 216 accredited business schools and colleges who would continue to be excluded from the benefits of the title II student loan program because of the five provisions of section 103(b) which define and restrict the term "institution of higher education."

3. To earnestly suggest an alternative approach to the redefinition of the term "institution of higher education" in section 103(b) to accomplish an effective expansion of the student loan program to include the worthy young people enrolled in educational programs leading to jobs as automatic data processors, machine accountants, computer technicians, or technical secretaries to physicians, scientists, and engineers.

4. To respectfully direct your attention to section 101 of H.R. 9846, in favor of which we have given testimony, which would open effectively the student loan program by striking clauses (3) and (4) from the second sentence of section 103(b) as these clauses apply to business schools and technical institutes.

5. To recommend a more inclusive definition of "eligible lender," for the Part C: Insured Loan Program of S. 2490, which closely resembles H.R. 10224 that does contain more inclusive definitions of "eligible institution" and "eligible lender" to establish a "National Student Loan Insurance Act."

6. To offer the members of the committee available information about students in accredited business schools because of our most earnest desire to see the full potential of all parts of S. 2490 reflected in your final recommendations.

The title II student loan program of National Defense Education Act has since its enactment included, in principle only, the estimated 50,000 students in the Nation's 216 accredited business schools and junior colleges of business. Operatively, the present restrictive definition and limitations of National Defense Education Act section 103(b), 20 U.S.C. 403(b), have denied thousands of needy and ambitious students and would-be students the effective assistance of the student loan program. As introduced, S. 2490 would still deny help to business school students.

Senator Morse, I would like to tell you of my personal frustrations in being unable to get National Defense Education Act loans for students in my school.

As president of a nonprofit accredited junior college of business it has been very difficult to try to explain the intracacies and restrictions of section 103(b) to anxious parents and students as well as interested teachers and guidance counselors. They just don't seem to understand why a student who is enrolled for a 1- or 2-year terminal program in a nonprofit accredited institution can't get a loan. I am here today to ask you to help these students get the type of loan described in part A of S. 2490.

At the same time, and approaching the problem from the viewpoint of the administrator of a smaller school, I can see many advantages to the approach of the part C insured loan program which is very similar to H.R. 10224. This type of program could relieve the busy officials in some smaller schools of administrative responsibility and delegate it, where desirable, to responsible executives of lending institutions.

An institution of higher education is defined in section 103(b) of Public Law 85-864 (National Defense Education Act), 20 U.S.C. 403(b). The second sentence reads as follows:

"For the purposes of subchapter II of this chapter, such term includes any private *business school or technical institution* which meets the provisions of clauses (1), (2), (3), (4), and (5)."

We respectfully suggest that the definitions in S. 2490 of the terms "institution of higher education," page 6, line 12, and "eligible lender," page 19, line 4, be revised so that both of the worthwhile loan programs in parts A and C and the scholarships in part B and the work study program of part D would include students in accredited business schools.

This could be accomplished by removing the present restrictions that the student be enrolled in an institution of higher education which:

(3) Provides an educational program for which it awards a bachelor's degree or provides not less than a 2-year program which is acceptable for full credit toward such a degree, and,

(4) Is a public or other nonprofit institution.

The safeguards of quality education still would be maintained by retaining the requirements that the institution:

(1) Admit high school graduates,

(2) Offer a post high school program,

(5) Be accredited.

The present law recognizes business school students in principle but unfortunately operatively excludes the students because the vast majority of educational programs in business schools are 1- and 2-year terminal programs. They are post-secondary school programs but they are not programs designed for the baccalaureate degree.

216 ACCREDITED BUSINESS SCHOOLS

According to our records, there are more than 1,200 business schools in our country. The Wall Street Journal of January 23, 1964, estimates that at least 250,000 students are enrolled in these schools (See attached exhibit B). As you may remember, Senator Jennings Randolph of West Virginia, a member of this subcommittee, had this article entered into the Congressional Record of February 3, 1964.

In its 11 years of work, the accrediting commission has evaluated and extended accreditation to a total of 216 institutions which offer programs in the following categories:

1-year schools of business	34
2-year schools of business	142
Junior colleges of business	39
Specialized 4-year colleges	1
Total	216

The accrediting commission was organized specifically for schools for whom there was no other avenue of accreditation. It has followed much the same institutional approach as that of the Engineer's Council for Professional Development which in its specialized field has accredited 34 technical institutes and junior colleges which are public, proprietary, and private nonprofit. Of the 216 ACBS accredited institutions, 185 are proprietary (i.e., taxpaying) and 31 are nonprofit.

EXPANSION OF NATIONAL DEFENSE EDUCATION ACT CAN SUCCEED WHERE GI BILLS FAILED

Twice commenting favorably on the GI bills, Commissioner of Education Francis Keppel, in his testimony of February 20, 1964, before the Senate Subcommittee on Education concerning S. 2490 said:

"Historically, the GI bills constituted the *most comprehensive effort* to help qualified students obtain a college education. It is true that this legislation was designed primarily to help veterans readjust from a war- to a peace-time economy. *It provided little assistance for the education of women*, where our loss of talent was and still is acute. But, for a period of time, the GI bill did give our young people a wider opportunity for education at undergraduate and graduate levels than any legislation before or since. This opportunity does not prevail today." [Emphasis added.]

We feel the National Defense Education Act could succeed where the GI bills, evaluated by Commissioner Keppel as our "most comprehensive effort to help qualified students," have failed. It should not discriminate against women who comprise 68 percent of the students in business schools and colleges. In its present form and even with S. 2490, as introduced, it does discriminate.

In quoting the late President Kennedy, Commissioner Keppel noted in his testimony that "he was speaking of all education and not merely its separate parts." There are hundreds of thousands of students now jobholding, productive citizens, who got their education through the GI bills in business schools which are a part of "all education."

I have been advised of the chairman's hopes, expressed on February 20, 1964, for an early consideration of the cold war GI bill. On behalf of the 1,200 private business schools of the Nation I share the concern for the measure voiced by

Senator Ralph Yarborough, a member of this committee, in colloquy with the chairman. As you may remember, I gave testimony in support of S. 5 which Senator Yarborough had printed in the Congressional Record of April 25, 1963. Although that measure is not the subject of this hearing, we do wish to state our continuing support of it and appreciation of your interest and the outstanding work of Senator Yarborough.

Programs of education under the "waning GI bills" and the continuing War Orphans Educational Assistance Act are available in institutions which are public, nonprofit, or proprietary (i.e., taxpaying.) A similar approach to the National Defense Education Act would open the benefits of the student loan provisions in a manner where the GI bills failed. It would not discriminate against women as in the GI bills. It could also include students in proprietary schools that are accredited.

SURVEY OF ACCREDITED BUSINESS SCHOOLS

A nationwide survey in February 1964 was made of the 216 accredited business schools and junior colleges of business especially for the purpose of making available the latest facts. A tabulation of the first 138 questionnaires returned reveals the following pertinent data on student needs:

Average tuition and fees for 9 months: $700.78 (basis of 137 replies).

Average total cost of attendance for 9 months: (*a*) A student who lives at home, $818.05 (basis of 133 replies); (*b*) a student who boards, $1,436.06 (basis of 132 replies).

According to exhibit 2, accompanying the testimony of Commissioner Keppel on February 20, 1964, for the years 1962–63 and 1964–65 estimated costs in private institutions were:

Tuition and fees only	*Total costs*
1962–63 USOE $753	$2,240.
1964–65 USOE $831	$2,370.
1964 ACBS survey $700.78	$818.05 day students; $1,436.06 boarding students.

As you can see, the average tuition and fees charged by independent business schools (nonprofit and taxpaying) is less than those charged by the private institution (nonprofit) used in the Office of Education survey. It is also true that total attendance costs are strikingly less in these non-tax-supported business schools.

Approximately 20 percent of the students in accredited business schools have enrolled after having had one or more semesters in 4-year universities or colleges. A detailed analysis reveals the following:

Percentage of students with one or more semesters of college:

	Number of schools indicating percent of students
0–9 percent	36
10–19 percent	53
20–29 percent	27
30–39 percent	11
40–49 percent	5
50–59 percent	1
60–69 percent	2
70–79 percent	1
80–89 percent	0
90–99 percent	0
Total reporting	136
No responses	2

In addition to the above-cited, present-day percentage of business school students who have transferred from 4-year university or college programs, it is the overwhelming opinion of business school administrators that the trend is toward an increasing percentage.

Administrators were asked if they saw a trend developing and this is how they answered: 117 said the percentage was increasing, 16 said the percentage was not changing, 4 said the percentage was decreasing, 1 did not respond.

The increasing percentage of students in accredited business schools with one or more semesters of college or university education reflects, in our opinion, the increasing realization by students, parents, teachers, and guidance counselors that a quality post-high school education is available in terminal office education programs of 1 and 2 years. The financial problems of these students and their parents are no less pressing than those in 4-year baccalaureate programs.

Indeed, they might be more pressing. Not everyone needs a bachelor's degree. Not ever job requires 4 years of education. Not every student or parent can afford a 4-year program. What is worse, a 2-year transfer program may end without the transfer because of financial problems, and without the student prepared to hold a job.

The 1- and 2-year terminal office education programs in the 216 accredited business schools offer realistic job-oriented post-high school education to thousands of men and women who aspire to careers as secretaries, accountants, office managers, or automatic data processors.

The U.S. Office of Education has begun to evidence a real interest in making available to parents, teachers, and guidance counselors information about educational programs in accredited terminal post high school institutions. Shortly, it plans to issue a bulletin discussing this area of higher education. [Exhibit C.] Each year, UBSA mails free of charge as a public service more than 10,000 directories to school counselors in cooperation with the American Personnel and Guidance Association.

Although both tuition and total attendance costs in accredited business schools are less than the figure cited by the Office of Education studies on private schools, the financial problems of business school students and parents are no less real. Is it fair to exclude from the student loan program, the student in a 1- or 2-year terminal course whose family might well be in the lower socioeconomic groups where the cost of educating a child works a proportionately greater demand upon family finances? No; it is not.

The availability of National Defense Education Act loans will make possible more complete educational programs according to 135 schools of the 137 answering; 132 of 136 schools answering also felt that the expansion of National Defense Education Act loans for secretarial students would enable them to conduct more complete training in secretarial specialties such as medical, technical, legal, or administrative secretaries.

Fully trained secretaries of physicians, scientists, engineers, and lawyers are just as important to the functioning of our modern society as the engineering aids or the laboratory technicians.

A CONCERN OF THE FEDERAL GOVERNMENT

In the statement of Senator Vance Hartke, of Indiana, on February 20, 1964, concerning S. 2490, the Senator aptly described Federal support of higher education as "investment with dividends which are handsome both to the individual and to the Nation."

In very practical and immediate terms, the business schools of this Nation are inexorably linked with the personnel recruitment by the Federal Government. In the Federal service alone there are today more than 130,000 stenographer and typist positions and some 41,000 secretarial positions.

In a speech to the November 1962 Convention of the United Business Schools Association in Washington, D.C., Chairman John W. Macy, Jr., of the U.S. Civil Service Commission, noted that the "quest for quality" is not limited to graduate and professional levels when he stated:

"Because of the rising emphasis on a dynamic new program of college recruitment, there is an impression in some quarters that the quest for quality is limited to the graduate and professional levels. Let me state emphatically that this is not the case. It has equal validity at the clerical level. As a matter of fact, it is particularly significant with respect to stenographers and typists, the most populous class of white-collar jobs in the Federal service. There are more than 130,000 stenographer and typist positions today, and some 41,000 secretary positions. It is obvious that high-quality performance in these jobs is essential to reach the higher levels of productivity we are determined to achieve."

Chairman Macy outlined in detail the contemplated plans, now accomplished, which would emphasize the increasing need for post-high school education by future civil service employees. He said:

"Among the changes we are contemplating is a departure from the present system of determining entrance grades. High school graduates who pass the civil service tests are now eligible for typist grade GS–3 and stenographer grade GS–4. Completion of post-high business school, junior college, or even college study is not now recognized for additional credit, although much evidence points to the generally higher caliber of applicants so trained.

"We will tighten the requirements so that high school graduation and the successful passing of a prescribed test would qualify only for typist at grade 2 and stenographer at grade 3. At the same time, we will tighten the requirements for typist grade 3 and stenographer grade 4 so that additional experience or post high school education will be required.

"It is our feeling—and I know you agree with this—that the lack of credit in civil service examinations for business school training above the high school level has had two undesirable effects: It has discouraged the less talented or less ambitious students from taking such training since there was no apparent economic advantage to be gained, and it has influenced business school graduates to seek employment outside of Government where their additional training was recognized.

"The shortage of qualified candidates for these positions, so far as we know, still exists; but if our reasoning is correct the higher standards will attract a larger proportion of applicants of a higher level of ability and productivity. This is in keeping with our general objective of meeting Government manpower needs with increased quality rather than increased quantity.

"I want to commend you, incidentally, on your interest and activity in the accreditation of business schools. This is a very progressive step, and one that may have a bearing on another change we are considering. We are currently experimenting with the use of teacher certificates of typing proficiency in lieu of examination, in specified limited circumstances. If it works out well, the practice may be extended to a broader range of situations and to stenography as well as typing. And if this is done, your accreditation will provide us with the necessary criteria for identifying acceptable schools."

He reiterated his expectation of "an increasingly active association with respect to recruitment" in business schools and particularized Federal recruiting needs by saying:

"The Federal service has urgent recruiting needs in positions such as office machine operator, computer operator, and highly skilled clerical work. We will be placing increased emphasis on tapping sources of well-qualified people who have received training in junior colleges and business schools."

During 1963 the U.S. Civil Service Commission invited comment and suggestions from UBSA on the proposed draft concerning the qualification standards for clerical worker which went into effect January 1, 1964. (See attached exhibit D of proposed standards and cover letter of April 2, 1963, to UBSA from the Civil Service Commission.)

The essence of the Civil Service Commission's decision has been to raise the educational standards for the GS-3 typist and GS-4 stenographer. It now requires a year of post high school education in a business school, a junior college or university (exhibit D). The Civil Service Commission expressed a real desire to gain "an improved recruiting posture in business schools" (exhibit D).

Another constructive development in the work of the Civil Service Commission was the proposal to permit teachers in accredited schools to certify student proficiency in typing and shorthand. (Exhibit D, proposed changes; proposed qualification standard; proposed examining guide.)

CONTRIBUTION OF THE ACCREDITING COMMISSION

This delegation of examining responsibility by the Federal Government to teachers in accredited schools, including the 216 accredited business schools, has had many important benefits, such as:

1. It saves the taxpayer money.
2. Students can take their tests in more locations and under better conditions.
3. It illustrates to a school the utility and efficacy of accreditation because it can serve its students better than a nonaccredited school.
4. By lending momentum to the cause of accreditation, continual upgrading of programs of office education is better achieved.
5. It gives the Accrediting Commission an additional opportunity to enforce compliance with educational standards or the schools would lose the benefits of accreditation.

FEDERAL RECRUITING EFFORTS: NIH, VA, AND CIVIL SERVICE

As an example of the recruiting efforts of the National Institutes of Health to obtain business school graduates attached are exhibits E–1, E–2, E–3 which show respectively a recruiting poster designed especially for business school graduates, a letter which went to all accredited business colleges, and a report from NIH to UBSA on the progress as of August 29, 1963.

The Veterans' Administration also is anxious to recruit business school graduates. Please see exhibit F–1, F–2, being personnel circular No. 05–63–6 and letter to UBSA dated April 18, 1963, expressing appreciation for a courtesy supply of 250 directories listing business schools.

A "Federal recruiting notes" No. 13 dated January 10, 1964, from the U.S. Civil Service Commission points out the new higher qualifications for GS–3 typists and GS–4 stenographer (exhibit G–1). Also the same point is made in announcement No. DE–1 (1964) issued January 6, 1964 (see exhibit G–2).

NEW YORK STATE LOAN GUARANTEE PROGRAM

The New York Higher Education Assistance Corp. specifically includes business school students. If the student wishes to attend a business school located in New York it must be approved by the New York State Education Department. If the school is located outside New York State it must then be accredited by the Accrediting Commission for Business Schools (see exhibit H–1).

As of January 31, 1963, 546 loans to students in 31 New York business schools were made totaling $273,815 (see exhibit H–2). As of January 31, 1964, one business school, the Albany Business College, had 117 students with loans totaling $61,662 for an average loan of $527 (see exhibit H–3).

Fortunate indeed is the New York State student. But as Senator Van Hartke, of Indiana, commented in his testimony on S. 2490:

"But it is worthy of note that all of the States with such programs are among those with higher per capita incomes than the States with the greatest need for help to their students. Nothing less than a Federal scholarship program will reach many of those who need help most."

CONCLUSION

In summary, we feel that thousands of needy business school students should be able to avail themselves of the types of National Defense Education Act student loan programs suggested in part A and part C of S. 2490.

Increasingly, terminal 1- and 2-years college level programs are attracting more and more able, determined young people. A high percentage of these young people bear the scars of uncompleted 4-year baccalaureate programs for which, possibly, they were financially incapable of undertaking.

The "high school dropout" problem has in recent months been given much news and discussion. What about the "college dropout," or, as we prefer to call them, the college transfers? Expansion of National Defense Education Act student loans to these young people will be a substantial investment in anb evidence of your support of their determination by a second attempt to achieve a worthwhile education after having either failed once or reexamined their vocational objectives.

The plight of these students, who are presently excluded from the National Defense Education Act program, is a rightful concern of the Federal Government. The investment in these students can reap a ready and immediate return to the Federal Government itself by increasing the availability of trained office workers for the Federal agencies as well as for industry and business.

Other considerations why business school administrators respectfully urge your consideration of our views are:

1. The inequity of the presently limited scope of higher education assistance will be corrected.

2. Increased educational opportunities will result in adding to the numbers of trained engineering aids, scientific technicians, computer technicians, automatic data processors and specialized secretarial workers in the fields of medicine, science, and engineering thus strengthening the defense of our Nation.

3. Individual students will have a greater opportunity of choice in securing higher education and assurance of a greater educational balance in accord with the total needs of our society.

4. Those who will directly benefit under this program will aid our society by their increased educational training and, additionally, as more productive citizens, will naturally add to the coffers of the Treasury as individual taxpayers. Potential skills and abilities which otherwise may be lost will be developed at this particular level of post high school education.

5. The overcrowded labor market for nontrained or semitrained persons will be relieved.

6. In an addition to raising the standard of living, preparing more young people for the age of automation by development of their technical, scientific, and educational skills; you will be increasing the number of productive and educated citizens.

In conclusion the 216 accredited business schools submit:

1. There is an existing need for these loan programs by students in accredited business schools.

2. This is a rightful concern of the Federal Government.

3. State programs are too limited in scope and to narrow in application.

Therefore, we hopefully ask the members of this committee to review the needs of the students enrolled in accredited business schools and respectfully urge you to amend appropriately the several parts, particularly A and C, of S. 2490 so that your final recommendations will reflect fully the splendid potential of the measure.

I also wish to express my gratitude for your gracious invitation to appear and my appreciation of the privilege of giving this statement personally to the members of the Subcommittee on Education.

EXHIBIT A

OFFICIAL

DIRECTORY

of Accredited Institutions and Operating Criteria

1963-1964

The Accrediting Commission for Business Schools

The Accrediting Commission for Business Schools, which has been recognized by the United States Office of Education of the Department of Health, Education, and Welfare as a Nationally Recognized Accrediting Agency, is happy to present this official 1963-64 Directory and Operating Criteria.

Recognition by such an authority is important to the public, other educational people and groups, libraries, and the schools themselves because it denotes the desire by the group and the individual educational institution to promote higher quality in education and to work for the most advanced methods in adapting to the needs of our changing times.

An institution listed in this directory has studied its own facilities, faculty, and administrative policies, has been examined and evaluated by a group of outside educators and had all these materials reviewed by The Accrediting Commission to make sure of its educational progress and, therefore, to warrant public confidence.

These directories should be of value to guidance directors, principals of high schools, prospective students and their parents, as well as all state and federal agencies and the public in general as a measure of competence obtained by these schools in trying to measure up to these established criteria.

Harold B. Post

Chairman

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THE ORGANIZATION AND FUNCTION OF THE ACCREDITING COMMISSION FOR BUSINESS SCHOOLS

Accreditation is an authoritative and reliable criterion of the professional stature and integrity of an institution. It is a responsibility to the American public whose children these institutions would educate, to provide a reliable rating based on factors of educational competence. Its basic procedure is the development of criteria depicting the requirements of sound and responsible education, evaluation in light of these criteria by a staff of qualified educators, and study and decision by the accrediting agency to accredit or not to accredit.

An unaccredited institution may be doing good and reliable work. The accredited institution provides professional proof and evidence to which the public is entitled.

The Accrediting Commission for Business Schools is the only nationally recognized agency that provides this service for our field of specialized business education. It is thoroughly professional in concept, structure and operation and works in close cooperation with other professional accrediting bodies.

Educators have long been conscious of the misuse and abuse of the terms "Accredited" and/or "Approved" where all too often this has been only a term with no substance behind it. Correction of these abuses is the concern of every branch of education, determined that accreditation shall be authentic and a reliable instrument for the guidance of the American public.

The Accrediting Commission for Business Schools was established in 1952 through the joint efforts of The California Council of Business Schools, The National Accrediting Authority and The National Association and Council of Business Schools. It has complete autonomy and is limited in service to one function only—to accredit where warranted, institutions in the field of business education represented by Independent Schools of Business.

Public Law 550 and subsequent legislation directs the U.S. Office of Education to maintain a list of recognized accrediting agencies. Such recognition is based on criteria especially developed by the USOE. The Accrediting Commission for Business Schools meets these requirements and is officially recognized by the U.S. Commissioner of Education as the National Accrediting Agency for this field.

The criteria that follows the directory-listing in this publication sets forth the operation and requirements of The Commission for accreditation.

On-the-ground examination of institutions is made by visitation teams, chairmen of which come from outside the Independent Business Schools. Serving as evaluators are college presidents, college deans, college department heads, professors from related fields of education, persons from State Departments of Education, and other educational agencies such as inspection and approval bodies. Working with them in these visitations are people from our own accredited institutions. Together they report the facts as they are disclosed by personal coverage. Action by The Commission to accredit or not to accredit or to continue accreditation is determined by full and complete study of these evaluative reports supplemented by self-evaluation reports by the institutions themselves.

The Accrediting Commission for Business Schools is composed of thirteen commissioners—eight of them are private buiness school administrators, and five of them are leading educators and office executives from outside the field. The Commission meets annually or oftener for the purpose of official business.

The ACBS accredits business schools in four classifications: One-Year Business Schools, Two-Year Business Schools, Junior Colleges of Business, and Specialized Colleges of Business (Four-Year Schools).

Schools accredited by ACBS may use the fact of accreditation only in the following manner: "Accredited by The Accrediting Commission for Business Schools." They shall not use the word "Accredited" without reference to ACBS, nor use expressions as "Fully Accredited" or "Accredited by UBSA."

This is the process in operation. It is independently performed. It is not a matter of membership. It is a highly valuable and well done professional appraisal.

It is authentic action by a reliable agency.
It serves first the general public that has a right to know.
It is of value to guidance counselors in their advice to students.
It is of value to parents who seek the best for their dollars.

It is valuable to other educational agencies and authorities who in this professional practice can more readily appraise these avenues of education, often from which come students seeking admittance to their institutions.

It is valuable to employers as an indicator of the strength and reliability of instruction which potential employees have received.

It is highly valuable to independent business schools themselves which want this testing to aid them in the maintenance of high standards of excellence in their business training programs.

The Commission is the officially recognized accrediting agency for the Independent Business Schools. It provides this service of evaluation and accreditment upon request for any business school, irrespective of affiliation.

1963-64

OFFICIAL LIST OF SCHOOLS ACCREDITED BY THE ACCREDITING COMMISSION FOR BUSINESS SCHOOLS

For greater convenience, for each school there is shown the name of the administrative head, his title and the complete address.

29-655 O - 64 - 20

ALABAMA

One-Year Schools of Business

Modern Business Academy
Mrs. Gladys P. Callaway, Director
79 Commerce Street
Montgomery

Gadsden Business College
G. C. Day, Director
213 A South Fifth Street
Gadsden

Two-Year Schools of Business

Alverson-Draughon College
W. H. Foster, President
1829 First Avenue, North
Birmingham 3

Anderson Business College
Norman Cecil Albright, President
118 Second Avenue
Decatur

Booker T. Washington Business College
Mrs. M. L. Gaston, Director
1527 Fifth Avenue North
Birmingham 2

Massey College
Dr. R. Frank Harwood, President
2024½ Third Avenue, North
Birmingham 3

Massey-Draughon Business College
J. E. Leonard, President
415 Montgomery Street
Montgomery 4

North Alabama College of Commerce
Thomas B. and Frances M. Chesnutt, Directors
North Alabama College of Commerce Building
528 Madison Street, South
Huntsville

ARKANSAS

Two-Year Schools of Business

Draughon School of Business
John T. Vetter, President
216 West Sixth Street, P. O. Box 11
Little Rock 3

Jonesboro Business College
Major Wayne A. White, President
216 E. Washington Avenue
Jonesboro

CALIFORNIA

One-Year Schools of Business

Criss Business College
Agnes Frances Criss, Owner and Director
512 East Lincoln Avenue
Anaheim

Grace Ball Secretarial College
Grace E. Ball, President
525 Sutter Street, Corner of Powell
San Francisco 2

Sawyer School of Business
Dorothy Ferris, Director
Paul R. Jackson, President
1165 East Colorado Street
Pasadena

Willis College of Business, Inc.
Mrs. Elesa McGowan, Manager
327 Nineteenth Street
Oakland 12

Zweegman School for Medical Secretaries
Claude E. Yates, Business Manager
1441 Van Ness Avenue
San Francisco 9

Two-Year Schools of Business

Healds Business College
William S. Greene, Director
10 Notre Dame Avenue
San Jose 13

Sawyer School of Business
Harrison Myers, Jr., Director
747 South Hill Street
Los Angeles 14

Skadron College of Business
Jack H. Skadron, President
798 Fourth Street
San Bernardino

Junior Colleges of Business

Humphreys College
Dr. John R. Humphreys, President
108 North California Street
Stockton 2

CANADA

One-Year Schools of Business

Robertson Secretarial School, Ltd.
Mrs. Sylvia Lepine, President
219A 21st Street, East
Saskatoon, Saskatchewan

COLORADO

One-Year Schools of Business

Central Business College, Inc.
G. E. Stephens, President
1177 Grant Street
Denver 3

Two-Year Schools of Business

Barnes School of Commerce
H. T. Barnes, President
1410 Glenarm Place
Denver 2

Blair Business College, Inc.
C. R. Webster, President
25 North Wahsatch Avenue
Colorado Springs

Parks School of Business
J. R. Johnson, President
Logan at Colfax
Denver 3

CONNECTICUT

Two-Year Schools of Business

Stone College
Littel R. Stone
54 Wall Street
New Haven 7

Junior Colleges of Business

Morse College
Mrs. Wesley E. Morse, President
183 Ann Street
Hartford 3

Post Junior College
Harold B. Post, President
24 Central Avenue
Waterbury 2

DELAWARE

Junior Colleges of Business

Goldey Beacom School of Business
Jay W. Miller, Ed.D., President
1001-1003 Jefferson Street
Wilmington 99

DISTRICT OF COLUMBIA

One-Year Schools of Business

Washington School for Secretaries
Mrs. Adria B. Lynham, Director
National Press Building
14th and F Streets, N.W.
Washington 1

Junior Colleges of Business

Southeastern University
Leroy J. Maas, President
1736 G Street, N.W.
Washington 6

Strayer Junior College of Finance
Elgie G. Purvis, President
601 Thirteenth Street, N.W.
Washington 5

FLORIDA

One-Year Schools of Business

Jacksonville Business College and Secretarial School
Jean C. Jones, Director-Owner
304 North Main Street
Jacksonville 2

Lakeland Business Institute, Inc.
James F. Kane, President
401 W. Peachtree St., on Lake Wire
Lakeland

Two-Year Schools of Business

Drake College of Florida
S. J. Drake, President
1015 N. E. Fourth Avenue at Sunrise Blvd.
Fort Lauderdale

Business University of Tampa affiliated with
Florida Central College
Joseph A. Rodeiro, President
315 Jackson Street
Tampa 2

Charron-Williams Commercial College, Inc.
Irving Goldstein, President
14 South East First Street
Miami 22

Massey Business College, Inc.
C. A. Barringer, President
148 E. Seventh Street
Jacksonville 6

Junior Colleges of Business

Jones College
Dr. J. Frank Dame, President
Riverton Tower
Jacksonville 11

Jones College
Dr. J. Frank Dame, President
14 East Church Street
Orlando

GEORGIA

One-Year Schools of Business

Athens Business College
Walter L. Padgett, President
255 North Lumpkin Street
Athens

Two-Year Schools of Business

Marsh Draughon College
T. J. South, Manager
322 Ivy Street, N.E.
Atlanta 3

Palmer College of Augusta
Charles E. Palmer, President
A. M. Rutherford, Director
430 Eighth Street
Augusta

Southern Business University, Inc.
J. L. Guynn, Manager
315 West Peachtree Street
Atlanta 8

HAWAII

Two-Year Schools of Business

Cannon's School of Business
Glenn B. Hinchey, Director
925 Fort Street
Honolulu 13

Honolulu Business College
John C. Chrape, Director
1178 Fort Street
Honolulu 13

College of Commerce
Mitsuru Omori, Director
1149 Bethel Street
Honolulu 13

IDAHO

One-Year Schools of Business

Link's School of Business
Rudolph I. Upton, President
801 Main Street
Boise

Two-Year Schools of Business

Twin Falls Business College
Karl L. Black, Business Administrator
Randel K. Wilson, Educational Administrator
260 Second Street East
Twin Falls

ILLINOIS

One-Year Schools of Business

Brown's Business College
Honore M. Owens, Principal
Robert B. Eadie, Assistant
120 East William Street
Decatur

Bryant and Stratton College
Lowell C. Doak, Dean
417 South Dearborn Street
Chicago 5

Ellis Business College
S. Norman Savitt, President
103 North Spring Street
Elgin

Fox College
Earl B. Fox, President
757 West 79th Street
Chicago 20

Two-Year Schools of Business

Brown's Business College
Miss Bernita Alderson, Director
611 East Monroe Street
Springfield

Gem City Business College
Floyd W. Marshall, President
127 North Seventh Street
Quincy

Illinois Commercial College
D. F. Colbert, President
E. A. Colbert ,Secretary
313 East Green Street
Champaign

Metropolitan School of Business
H. R. Petryk, President
5840 North Lincoln Avenue
Chicago 45

Midstate College of Commerce
A. R. Beard, President
240 S. W. Jefferson Avenue
Peoria

Moline Institute of Commerce
S. D. Fenton, President
1605 Fifth Avenue
Moline

Sparks College
Roger R. Sparks, President
131 South Morgan Street
Shelbyville

INDIANA

Two-Year Schools of Business

International Business College, Inc.
Orvis A. Dellinger, President
Weldon R. Gross, Vice-President
120 West Jefferson St.
Fort Wayne 2

Lockyear's Business College
B. W. Dasch, President
209 N. W. Fifth Street
Evansville

South Bend College of Commerce
M. D. Puterbaugh, Jr., President
212 South St. Joseph Street
South Bend 1

IOWA

Two-Year Schools of Business

American Institute of Business
Keith Fenton, President
Grand Avenue at Tenth
Des Moines 7

American Institute of Commerce
S. D. Fenton, President
617 Brady Street
Davenport

Gates College
Mrs. Gladice N. Sears, President
209 West Park Avenue
Waterloo

Hamilton College
W. R. Hamilton, President
11½ First Street, N.E.
Mason City

Nettleton Business Training College
A. L. Rhude, President
509 Nebraska Street
Sioux City 1

KANSAS

Two-Year Schools of Business

Brown-Mackie School of Business, Inc.
Eskil L. Anderson, President
Mrs. C. W. Carlson, Vice-President
126 South Santa Fe
Salina

Clark's School of Business
James I. Allison, President
633 Kansas Avenue
Topeka

Wichita Business College, Inc., The
John D. Krebs, President
209 North Broadway
Wichita

KENTUCKY

One-Year Schools of Business

Fugazzi Business College
Virgil F. Young, President
251 East High Srteet
Lexington

Two-Year Schools of Business

Bryant and Stratton Business College
Mrs. Beulah W. George, President
216 Speed Building
Louisville 2

Spencerian College
Roy H. Whalin, President
629½ South Fourth Street
Louisville 2

LOUISIANA

One-Year Schools of Business

Bish Mathis Institute
L. E. Mathis, Manager
Bernhardt Building
Monroe

Two-Year Schools of Business

Norton Business College
L. Wesley Norton, President
720 Travis Street
Shreveport

MAINE

Specialized Colleges of Business

Husson College
Chesley H. Husson, Sr., President
157 Park Street
Bangor

MARYLAND

One-Year Schools of Business

Strayer College
Mrs. Mary Belle Walker, Director-Vice-President
Suite 600, Equitable Building
Baltimore 2

Two-Year Schools of Business

Baltimore Institute
B. Herbert Brown, LL.D., President
10 West Chase Street
Baltimore 1

Gardner School of Business, The
Mrs. Bessie Gardner Sharpe, Director
8305 Fenton Street
Silver Spring

Hagerstown Business College
Dr. E. J. Hajek, President
441 North Potomac Street
Hagerstown

Maryland Medical Secretarial School
D. G. Drawbaugh, Jr., Administrative Vice-President
441 North Potomac Street
Hagerstown

Junior Colleges of Business

Baltimore College of Commerce
Joseph S. Rook, President
24 West Franklin Street
Baltimore 1

Eastern College
A. Risley Ensor, President
Albert B. Einstein, Administrative Vice-President
3 West Mt. Vernon Place
Baltimore 1

MASSACHUSETTS

Two-Year Schools of Business

Aquinas Secretarial School
Sister M. Blaithin, C.S.J., Director
303 Adams Street
Milton 86

Bay State Academy
Louis F. Musco, President
122 Commonwealth Avenue
Boston 16

Bryant and Stratton Commercial School
Llewellyn P. White, President
150 Newbury Street
Boston 10

Cambridge School of Business
Milton L. Grahm, President
687 Boylston Street
Boston

McIntosh Business School
Edward T. Sheehan, Principal
175 Haverhille Street
Lawrence

Salter Secretarial School, Inc.
Mrs. Dorothy L. Salter, President
45 Cedar Street
Worcester 9

Junior Colleges of Business

Becker Junior College
Warren C. Lane, President
61 Sever Street
Worcester 9

Burdett College
C. Fred Burdett, President
160 Beacon Street
Boston 16

Fisher Junior College
Sanford L. Fisher ,President
118 Beacon Street
Boston 16

Northampton Commercial College
Richard D. Pickett, President
76 Pleasant Street
Northampton

MICHIGAN

Two-Year Schools of Business

Baker Business University, Inc.
William Turner, President
126 East Third Street
Flint 2

Detroit Institute of Commerce
Mrs. R. Louise Grooms, President
1308 Broadway, Tel. WO. 1-0190
Detroit 26

Dorsey School, The
Ruth Dorsey, Principal
2111 Woodward Avenue
Detroit 1

Eastern Michigan College of Commerce
Karl Reiber, Managing Director
1719 Military Street
Port Huron

Jackson Business University
A. C. Hermann, President
234 South Mechanic Street
Jackson

Lewis Business College
Violet T. Lewis, President
5450 John R. Street
Detroit 2

Northeastern School of Commerce
Louis H. Bork, Director
701 North Madison Avenue
Bay City

Pontiac Business Institute
B. J. Chapin, President
18-24 Lawrence Street
Pontiac

Junior Colleges of Business

Davenport Institute
Robert W. Sneden, President
12 South Division
Grand Rapids 2

Detroit Business Institute
Homer F. Long, Executive Vice-President
4801 Oakman
Dearborn
Downtown Office
1100 Michigan Building
220 Bagley Avenue
Detroit 26

Muskegon School of Business
Gail A. Jewell, President
Robert D. Jewell, Vice-President
1003 Spring Street
Muskegon

MINNESOTA

Two-Year Schools of Business

Globe Business College, Inc.
S. R. Sturm, President
111 East Sixth Street
St. Paul 1

Mankato Commercial College
A. R. McMullen, President
120 South Front Street
Mankato

Minneapolis Business College
Opal Maetzold, Dean
84 South Tenth Street
Minneapolis 3

Minnesota School of Business
W. C. Stevenson, President
24 South Seventh Street
Minneapolis 2

Rasmussen Business School
Wilbur C. Nemitz, Director of Education
Robert W. Nemitz, Business Manager
380 Minnesota Street
St. Paul 1

MISSOURI

Two-Year Schools of Business

Capital Business College
E. E. Strobel, President
220 East Dunkin Street
Jefferson City

Draughon's College of Comerce
H. V. Lile, Manager
15 East Fourteenth Street
Kansas City

MONTANA

One-Year Schools of Business

Butte Business College, Inc.
David Doane, President
220 N. Alaska St.
Butte

Two-Year Schools of Business

Billings Business College
Howard C. Porter, President
3125 Third Avenue, North
Billings.

NEVADA

One-Year Schools of Business

Reno Business College
Mario U. Soran, President
406 California Avenue
Reno

NEW HAMPSHIRE

Two-Year Schools of Business

Hesser Business College
George P. Lord, President
155 Concord Street
Manchester

McIntosh College, Inc.
George J. Kay, President
16 Orchard Street
Dover

New Hampshire College of Accounting and Commerce
Mrs. H. A. B. Shapiro, President
88 Hanover Street
Manchester

NEW MEXICO

Two-Year Schools of Business

Browning Commercial School
Mrs. Mabel Browning, Owner
210 Yale Boulevard, S.E.
Albuquerque

Western School for Secretaries
Miss Margaret Keleher, President
805 Tijeras Avenue, N.W.
Albuquerque

NEW YORK

One-Year Schools of Business

Monroe School of Business
Harry E. Jerome, Administrator
East Tremont Avenue at Boston Road
New York 60

Nancy Taylor Secretarial and Finishing School, Inc.
Ronald Sheff, Director
55 West Forty-Second Street
New York City 36

Two-Year Schools of Business

Albany Business College
Prentiss Carnell, President
130 Washington Avenue
Albany 10

Bryant and Stratton Business Institute, Inc.
William C. Gordon, President
1028 Main Street
Buffalo 2

NORTH CAROLINA

One-Year Schools of Business

Ashmore Business College
Mrs. Peggy C. Grimes, President
Highways 29-70
Thomasville

Two-Year Schools of Business

Croft Business College
Jack E. Loftis, President
107 Market Street
Durham

Hardbarger Business College, Inc.
James W. Hancock, President
Hardbarger Building
Raleigh

King's Business College
Orville T. Smith, President
220 Hillboro Street
Raleigh

Junior Colleges of Business

King's College
M. O. Kirkpatrick, Sr., President
322 Lamar Avenue
Charlotte 4

NORTH DAKOTA

Two-Year Schools of Business

Interstate Business College
Jens Fossum, President
114 Roberts Street, Box 1476
Fargo

OHIO

One-Year Schools of Business

Ohio Institute of Business
Charles E. Spitler, President
North Side, Public Square
Wooster

Two-Year Schools of Business

Canton College, Inc.
Frank F. Tiffan, Director
428 Market Avenue, North
Canton 2

Columbus Business University
Robert E. Hoffhines, President
208 North High Street
Columbus 15

Davis Business College
Miss Ruth L. Davis, President
339 Huron Street
Toledo 4

Hammel-Actual College
C. A. Neale, President
59 East Market Street
Akron 8

Miller-Draughon College
A. F. Huete, Director
136 East Sixth Street
Cincinnati

Northwestern School of Commerce
Robert Brautigam, Director
Barnett Building, North McDonel Street
Lima

Portsmouth Interstate Business College
Leo Blackburn, President
815 Roy Rogers Esplanade
Portsmouth

Stautzenberger Business College
George R. Hawes, Director
224 Superior Street
Toledo

Steubenville Business College
J. Vincent Thompson, Director
185 North Fourth Street
Steubenville

Junior Colleges of Business

Bliss College
Gerald Wickham, President
131 East State Street
Columbus 15

Dyke College
Jay R. Gates, President
1375 East Sixth Street
Cleveland 14

Miami-Jacobs Junior College
C. P. Harbottle, President
38 North Ludlow Street
Dayton 2

Sinclair College
James Mericle, Dean, Business Administration
117 West Monument Avenue
Dayton 2

Tiffin University
Richard C. Pfeiffer, President
155 Miami Street
Tiffin

OKLAHOMA

Two-Year Schools of Business

Blackwood Business College
Roy R. Blackwood, Manager
1015 North Walker
Oklahoma City 2

Draughon School of Business
Walter J. Tribbey, President
713 North Broadway
Oklahoma City

Draughon's School of Business, Inc.
James A. Wilson, Manager
1107 South Main
Tulsa 3

Hill's Business University, Inc.
George W. McGuire, President Emeritus
Mrs. M. E. Phelps, Secretary
629 West Main Street
Oklahoma City 2

Tulsa Business College
J. Elmo George, President
318 South Denver Street
Tulsa 3

Junior Colleges of Business

Oklahoma School of Business, Accountancy, Law, and Finance
H. Everett Pope, Jr., President
124 East Ninth Street
Tulsa 3

PENNSYLVANIA

Two-Year Schools of Business

Altoona School of Commerce and Zeth School, Inc.
W. R. Montler, Administrative Director
1110-1112 Thirteenth Street
Altoona

Bethlehem Business School, Inc.
C. H. Bowser, President
Union Bank Building, Corner Fourth Street and Broadway
Bethlehem

Cambria-Rowe Business College
Douglas Devaux, President
422 Vine Street
Johnstown

Central Pennsylvania Business School
H. Rae Young, Owner and Director
323 Market Street
Harrisburg

Churchman Business College
Charles W. Churchman, President
355 Spring Garden Street
Easton

Columbia Institute-Taylor School
Bernard Sless, Director-President
1200 Walnut Street
Philadelphia 7

DuBois Business College, Inc.
James A. Watson, President
11 West Long Avenue
DuBois

Duff's Iron City Business Institute, Inc.
Sally W. Weimer, President
717 Liberty Avenue
Pittsburgh 22

Erie Business Center
Mrs. C. P. McGeary, President
220 West Ninth Street
Erie

Levitan School of Business Training, The
David S. Levitan, Manager
1516 Spruce Street
Philadelphia 2

McCann School of Business
Mrs. Dorothy K. Houser, President
Corner, Main and Pine Streets
Mahanoy City

New Castle Business College
G. Crawford Lyon, Director
316 Rhodes Place
New Castle

New Kensington Commercial School
Harry E. Ryan, President
156 McCargo Street
New Kensington

Penn Commercial College
J. G. Roof, President
82 South Main Street
Washington

Thompson College
Mrs. C. Blanche Thompson, President
205 South George Street
York

Thompson Institute
Arthur F. Nelson, P.E., President
18 North Fourth Street
Harrisburg

Junior Colleges of Business

Point Park Junior College
Dorothy C. Finkelhor, Ph.D., President
Wood Street and Boulevard of the Allies
Pittsburgh 22

Peirce School of Business Administration
Thomas May Peirce, III, President
Wm. J. Hamilton, Ph.D., Vice-President
1420 Pine Street
Philadelphia 2

Robert Morris Junior College
J. R. McCartan, President
610 Fifth Avenue
Pittsburgh 19

RHODE ISLAND

Junior Colleges of Business

Johnson and Wales School of Business
Edward P. Triangolo, President
Abbott Park Place
Providence 3

SOUTH CAROLINA

Two-Year Schools of Business

Cecil's Business College
Wayne L. Huff, President
161 East Wood Street
Spartanburg

Junior Colleges of Business

Palmer College
Charles E. Palmer, President
F. G. Waldrop, Vice-President and Director of Admissions
Dr. O. W. Lever, Vice-President and Director of Education
125 Bull Street
Charleston

Palmer College
Charles E. Palmer, President
R. S. Mayben, Jr., Vice-President and Director of Admissions
J. A. Binford, Jr., Director of Education
1700 Laurel Street
Columbia

SOUTH DAKOTA

One-Year Schools of Business

Northwest College of Commerce
Warren F. Thompson, Resident Manager
317 Iowa Avenue, S.E.
Huron

Two-Year Schools of Business

Aberdeen College of Commerce
D. D. Balvin, President
314½ South Lincoln Street
Aberdeen

National School of Business
H. D. Buckingham, President
321 Kansas City Street
Rapid City

Nettleton Commercial College
C. D. Rohlffs, President
226 South Main Avenue
Sioux Falls

TENNESSEE

One-Year Schools of Business

Memphis School of Commerce
C. M. Witherington, President
295 South Bellevue
Memphis 4

Nashville Business College
H. O. Balls, President
YMCA Building
Nashville 3

Two-Year Schools of Business

Draughon Business College, The
Louis C. Hafer, President
325 West Clinch Avenue, Box 204
Knoxville

Draughon's Business College
W. L. Webb, Manager
253 Madison Avenue, Box 835
Memphis 1

Draughon's Business College
C. W. Davidson, Manager
131 Eighth Avenue, North
Nashville

Edmonson College of Business
David V. Edmonson, President
Eighth and Cherry Streets
Chattanooga 2

Falls Business College
N. T. Long, Manager
105 Eighth Avenue, North
Nashville

Griggs Business College
C. J. Gaston, Director
492 Vance Avenue
Memphis

Henderson Business College, Inc.
A. M. Williams, President
530 Linden Avenue
Memphis 5

Knoxville Business College, Inc.
Albert M. Luther, President
209 Church Avenue, S.W.
Knoxville 1

McKenzie College
Roy McKenzie, President
Oak and Lindsay Streets
Chattanooga 1

National School of Business
Eula Hampton Barnett, President
35 Ocoee Street
Cleveland

West Tennessee Business College, Inc.
Kendrick Koger, President
525 East Main Street
Jackson

TEXAS

Two-Year Schools of Business

Brantley-Draughon College
Dana R. Hart, Vice-President
202½ East Eighth Street
Fort Worth 2

Draughon's Business College
H. E. Cannon, Manager
2101 Commerce Street
Dallas

Draughon's Business College
G. C. Stewart, Manager
P. O. Box 508
Lubbock

Massey Business College
W. L. Strawn, President
1217 Capitol Avenue
Houston 2

Southwestern Business University
B. E. Kern, Manager
1006 Caroline Street
Houston

UTAH

Junior Colleges of Business

L. D. S. Business College
R. F. Kirkham, President
411 East South Temple Street
Salt Lake City 16

Stevens Henager College
I. W. Stevens, President
LeRoy Stevens, Executive Vice-President-Director
2644 Washington Blvd.
Ogden

Stevens Henager College
I. W. Stevens, President
350 South Seventh, East
Salt Lake City 2

VERMONT

Junior Colleges of Business

Champlain College
C. Bader Brouilette, President
232 South Willard Street
Burlington

VIRGINIA

Two-Year Schools of Business

College of Hampton Roads, Inc.
A. V. Calhoon, President
2603 West Mercury Blvd.
Hampton

Phillips Business College
Harry G. Green, President
1000 Church Street
Lynchburg 1

Smithdeal-Massey Business College, Inc.
V. E. Jernigan, President
300 West Grace Street
Richmond 20

Junior Colleges of Business

National Business College
Murray K. Coulter, President
8 Franklin Road, S.W.
Roanoke

Virginia Southern College
A. R. Kennett, President
301 West Campbell Avenue
Roanoke

WASHINGTON

One-Year Schools of Business

Knapp College
J. M. Donnelly, Manager
114 South Tenth Street
Tacoma 2

Scheble Secretarial Studio
Miss Vera L. Scheble, Owner
602 Joshua Green Building
Seattle 1

Two-Year Schools of Business

Griffin-Murphy Business College
M. M. Murphy, President
2005 Fifth Avenue
Seattle 1

Kinman Business University
H. E. Leffel, Director, Public Relations
Glen F. Trefren, Director, Accounting and Finance
Morris S. Pierson, Director of Instruction
South 110 Howard Street
Spokane 4

WEST VIRGINIA

One-Year Schools of Business

Morgantown Business College and West Virginia Medical Secretarial School
Stephen A. Callen, Director
354 High Street
Morgantown

WISCONSIN

Junior Colleges of Business

Madison Business College
Otto J. Madland, President
215 West Washington Avenue
Madison 3

OFFICIAL
OPERATING CRITERIA
OF
THE ACCREDITING COMMISSION FOR BUSINESS SCHOOLS

INTRODUCTION

Policy

Accreditation is intended to reflect the fact that The Commission upon careful examination has found an institution and its educational program to be of acceptable quality in terms of its own objectives.

Examination of institutions is performed by a Board of Examiners composed of highly trained and experienced educators of well-established ability, sufficiently removed from an intimate knowledge of the institutions to insure objectivity in the evaluation process.

The function of the Board of Examiners is to determine fact and submit a written report which will enable The Commission to determine how well the applicant institution meets each of the criteria listed herein. The Board of Examiners also collects certain quantitative data which enables The Commission to classify the institution in terms of its stated objectives.

The criteria of The Commission present a method of evaluating the quality of the program. These standards are not to be considered a method of standardizing courses in an attempt to make all business courses at the post-secondary level alike. Such a procedure would stifle initiative, the development of new methods, and experimentation in new fields of learning. It is the intent of The Accrediting Commission for Business Schools that no institution shall be accredited or be allowed to remain accredited unless it continuously meets the standards of excellence outlined in these criteria.

Nothing in these criteria shall dictate method of teaching, content of curricula, or in any way restrict the educational freedom of an institution to conduct its program in the way its purposes require. Evidence of growth in teaching method, course content, or educational research consistent with the objectives of the institution shall be looked upon as evidence of serious effort to improve the program of the institution.

Every institution offering a program of post-secondary education in the field of business education which is able to establish that its program is one of high quality and stability shall be entitled to accreditation without discrimination because of its size, length of course, its racial or religious affiliation or policy, its relationship or affiliation with any other type of educational institution, the nature of its legal organization or the source of its financial support.

It is the policy of The Commission to refuse accreditation to any school or college that offers or advertises any sub-standard academic or professional degrees. A sub-standard degree is one which the institution is not legally authorized to grant, or a degree which is not based on programs of study generally recognized for degree purposes by other accredited institutions of higher education.

If an organization consists of more than one school or college, whether operated under one name or not, each school or college must be separately accredited. If an organization consists of several schools, one or more of which are accredited, any published literature on behalf of all schools shall refrain from mentioning the fact of accreditation unless the accredited status of each school or college is clearly set forth. There must be no implication that all schools or colleges in the organization are accredited unless such is the fact.

It is consistent with the generally accepted practices of academic schools of higher learning that accredited institutions show evidence of unified efforts to improve educational and professional standing by affiliation with and participation in national service and educational associations in their field or fields. The Commission believes that such professional interest and growth is an important criterion for accreditation and that this can be evidenced by membership and participation in the programs of The United Business Schools Association or similar national organizations.

Eligibility for Evaluation and Accreditation

To be eligible for accreditation an institution must be able to give an *affirmative answer* to the following questions:

1. Is the institution predominantly organized for the purpose of training for business careers?
2. Is the educational program reasonably one of post-secondary level?
3. Is education the principal activity of this institution?
4. Is the program of the institution a residence program?
5. Has the institution and its program been established for a period of 3 years or more?
6. If the institution seeking accreditation is a department or division within an educational institution having other objectives, is it separately administered?
7. If the institution is operated as a unit in an organization consisting of two or more colleges, is the institution separately administered, with separate teaching staff, class schedules, catalogs and library?
8. Is the institution legally organized and authorized to conduct its program under the laws of its own state and community? Where the laws of the state are silent on such matters the institution must be appropriately organized: i.e., its organization and practices must conform to accepted organization and practices for comparable institutions in the same general geographic location.
9. Does the institution offer at least a program two years in length, or if it is a shorter program (but in no case less than one school year in length) is the program a reasonable part of a two-year post-secondary program?
10. Is the nature of this program such that it does not have access to accreditation by another well-recognized accrediting agency?

The Accrediting Process

Each year The Commission publishes an *Official Directory of Accredited Institutions and Operating Criteria.* Upon request, any educational institution considering accreditation will be provided with a copy of this document in order that it may have full and official information on the factors involved in accreditation and the steps which must be taken to obtain such status.

A school's request for accreditation is supported by rather extensive documentation of its policies, practices, and financial and other status, all of which is carefully evaluated by The Commission from the point of view of the classification requested. If accreditation is approved, the school is so notified in due course and the fact of accreditation may be used by the school in its catalog, advertising, and other publications, in a manner appropriate to this status as approved by The Commission.

Institutions denied accreditation may request a hearing before The Commission at one of its regular meetings. Such requests must be in writing, must state the reason for requesting a hearing, must limit such reasons to the points enumerated in The Commission's written statement denying accreditation, must present evidence not already considered, and must be signed by an official of the school. The institution may send one or more representatives to be heard in person before The Commission.

The steps to be taken by an applicant institution in seeking accreditation and the steps to be taken by The Commission in processing the application are as follows:

1. The interested institution is encouraged to communicate with the Executive Commissioner of The Accrediting Commission in order to become thoroughly informed about the advantages, responsibilities, processes, and financial details involved in accreditation.
2. The interested institution may then request a preliminary review for the purpose of determining whether or not it wishes to apply for accreditation. The request may be in the form of a letter supported by a catalog of the institution and by other information and documents pertinent to the case.
3. The Accrediting Commission will upon request then arrange for a visitation to the institution by a qualified person (or persons) to consult with the owners and/or managers. Recommendations resulting from this visit shall be received by The Accrediting Commission and the owners and/or managers prior to proceeding with the accrediting process. The actual expenses of the visitation shall be borne by the institution.
4. The interested institution shall then submit a formal application for evaluation in which a responsible official will certify that to the best of his knowledge and belief the applicant institution and its programs are such as to provide affirmative answers to each of the several questions enumerated in the section above, entitled "Eligibility." The required documents and the non-refundable application fee of $25 shall accompany the application.
5. If The Commission, upon examination of the formal application and the documents enclosed, determines that a detailed evaluation of the institution and its programs should be made, it will mail to the applicant institution a self-evaluation questionnaire which it will execute and return. This evidence of self-evaluation is highly important. The executed forms will be supplied to the Board of Examiners for the purpose of comparison and cross-checking.
6. A personal examination is made by the Board of Examiners appointed by The Commission on which board there shall be at least one representative of institutions accredited by The Commission, and one or more educators from without the accredited group. The expenses of the Board shall be borne by the applicant institution.
7. The Board of Examiners prepares a written report covering each of the items investigated, and such other information as it believes pertinent to an accurate evaluation of the institution, when considered as a whole. The written report is sent to The Commission for review.
8. The Accrediting Commission shall review the report of the Board of Examiners and shall call for such other information, documentation, or testimony as may be required.
9. The Accrediting Commission shall then consider the completed evaluation study, and accredit the applicant institution or withhold accreditation. In the event accreditation is withheld, The Commission will state its reason(s) in writing. Institutions which are accredited will receive a Certificate of Accreditation upon payment of the accreditation fee.

10. The Commission will classify the institution in accordance with criteria for classification of business schools.
11. Among the factors considered by The Accrediting Commission in granting accreditation are the programs, facilities, faculty, management, ownership, and financial stability. The Commission shall be immediately notified by the school of any substantial or significant changes which occur in these or other material factors affecting the institution. The Commission shall then:
    (a) Extend the accreditation of the institution until the next scheduled reinspection date, or
    (b) Request a visit to the institution by a Commissioner or other qualified person to evaluate the effect of the change, or
    (c) Request a complete re-examination or re-evaluation of the institution within a reasonable period of time, or
    (d) Withdraw accreditation.
12. The Commission may withdraw accreditation for one or more of the following reasons:
    (a) The institution when re-evaluated no longer meets an acceptable standard of quality in light of current criteria of The Commission.
    (b) The institution fails to file a satisfactory annual report as required by The Commission.
    (c) Any substantial change occurs in the institution or its program without prior knowledge of The Commission. Examples: change in ownership or management; major change in objectives; major change in facilities.
    (d) The institution fails to pay promptly the annual sustaining fee of The Commission.
    (e) The institution fails to respond or aid in completing arrangements for a scheduled evaluation.
13. Should an institution whose accreditation has lapsed by virtue of the above, subsequently wish accreditation, it must apply as a new institution and be processed as if it had not been accredited before.
14. Reinspection and evaluation to determine maintenance of status, and conformity to new criteria established by The Commission is conducted regularly at 5-year intervals from the date of first accreditation.
15. The Commission will require reinspection or written data concerning the institution and its program at all such other times as it may deem necessary.

Fees:

(a) Application fee (non-refundable and good for one year only) .. $ 25.00

(b) Basic inspection or reinspection fee (must be paid in advance, evaluation cost in excess of basic fees will be billed the school)

(1) For One-Year and Two-Year Business Schools with full-time day students or equivalent as of preceding November 1:
With 100 or fewer 75.00
With more than 100 .... 100.00
(Requires a two-man team of evaluators spending one day, except in territory served by The Western Association of Schools and Colleges, which requires a three-man team of inspectors.)

(2) For Junior Colleges of Business 175.00
(Requires a three-man team of evaluators spending two days)

(3) For Specialized Colleges of Business 300.00
(Requires a four-man team of evaluators spending three days)

(c) Accreditation fee (charged only on new accreditation, must be paid before issuance of Certificate)
(1) One-Year School of Business 125.00
(2) Two-Year School of Business 150.00
(3) Junior College of Business 175.00
(4) Specialized College of Business 175.00

(d) Sustaining fee (due July 1 annually)
(1) One-Year School of Business 125.00
(2) Two-Year School of Business 150.00
(3) Junior College of Business 175.00
(4) Specialized College of Business 175.00

Continuity of Evaluation

The original evaluation of an institution for purposes of accreditation by The Accrediting Commission for Business Schools shall be extensive and conducted by a Board of Examiners of at least two persons as described in the accrediting procedure of this Commission.

Every accredited institution will be similarly visited and examined personally for purposes of confirmation of accreditation in every five-year period.

These criteria for evaluation may be revised from time to time by The Commission.

CRITERIA APPLICABLE TO ALL SCHOOLS AND COLLEGES

I. Objectives of Training

The objectives of the institution must be published in its catalog and/or other comparable publications readily available to the public. The objectives must be completely, clearly, and simply stated in terms readily understandable by a prospective student or other lay person.

These objectives shall be reasonably the objectives of post-secondary education. They shall be reasonably capable of achievement under the program of instruction and facilities offered by the institution. They shall be devoted exclusively or substantially to business education. However, this requirement is not intended to minimize the importance of general education in certain types of business curricula.

II. Curricula

The curricula must be directly related to the institution's published objectives and shall give evidence of a well-organized sequence of appropriate subjects leading to occupational competence in some field or fields of business. The curricula must be published in the institution's catalog or other such publication and should state objectives peculiar to each curriculum. The curricula shall be offered by resident instruction. The time allotment for each subject shall be clearly indicated in units of credit readily convertible to standard semester-hours. Institutions applying for accreditation as business schools will be permitted to state time allotment in class clock-hours if desired.

The subjects offered must be available when required by the student in the normal pursuit of a course of study. Prerequisites must be indicated. The prerequisite system must be administered in a fashion that assures proper qualification of students in any given class, appropriate allowance of credit to students for subject matter previously mastered, and an increasing level of difficulty as the student progresses.

The faculty should participate in a system of continuous curricula revision and improvement. Special recognition shall be given when the curriculum is based upon students' needs as determined by a survey or other scientific fact-gathering procedure. This includes the use of community surveys related to educational needs.

The curricula should be exclusively or largely devoted to business education. However, this requirement is to be evaluated in a manner which will encourage the inclusion of subjects having value as general education when they contribute to breadth or balance of any such course of study.

When an institution offers training in a professional subject or other area in which there are accepted standards of content or achievement, the institu-

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tion must show evidence that its curricula are in harmony with such standards, as well as with the standards designated by The Commission.

III. Admission Policies

The admission policies must be based upon the institution's objectives, must be publicly stated, and must be administered as written. No institution will be accredited which does not have an effective admissions policy requiring at least completion of high school (12th grade), or equivalent as a prerequisite to regular enrollment. If the institution conducts an adult education program or serves special students (limited program-non-degree or non-diploma), a separate admissions policy may be publicly stated and administered for such students. Such students need not be high school graduates, but they must be adults and fully qualified to study the subject matter for which they enroll. An accredited institution may not permit regular enrollment of non-high school graduates less than 17 years of age, or the legal age for compulsory school attendance.

IV. Graduation and Awards

The institution shall confer certificates, diplomas, or degrees consistent with its objectives and in compliance with applicable state laws. Where state laws are silent with respect to the right of an institution to confer certificates, diplomas, or degrees, the practice of the institution shall be consistent with the practices of post-secondary education in the general geographic area in which the institution is located.

Requirements for graduation shall be clearly stated in the catalog of the institution or other comparable publication generally available to the public, and must be uniformly applied.

Degree-granting institutions will confer appropriate baccalaureate degrees for courses of at least four academic years in length — 120 standard semester-hours or equivalent, and appropriate associate degrees for courses of at least two academic years in length — 60 standard semester-hours or equivalent, both of properly related subject and content.

A standard semester-, quarter-, or term-hour normally requires an average of three class hours of work in class, laboratory, and/or study each week for a semester, quarter, or term. Thus, a three-hour course would necessitate an average of nine hours of work per week. These nine hours may be divided between class lectures and discussions, laboratory, and individual study to suit the particular course for which credit is allowed. Normally, an hour refers to a net of fifty minutes of class time with additional time allowed for changing classes.

In general a student may earn one semester hour of credit, or equivalent for one full week of day school attendance.

V. Instruction and Library

1. *Faculty.*

The Board of Examiners will be expected to determine the degree with which the institution achieves each of the following:

(a) The preparation of faculty members must be adequate and appropriate to the subject matter taught. Teachers should have an educational background at least equivalent to that represented by a standard baccalaureate degree. The faculty should represent a reasonable balance with respect to distribution as to age and years of teaching experience.

(b) Newly employed teachers whether replacements or additions to the staff of the school shall have at least a baccalaureate degree from a recognized institution of higher learning. In the case of institutions classified as business schools an exception may be made for teachers of automation and other complex business machines.

(c) The institution shall provide a systematic program of in-service-training for the improvement of the teaching force and the curricula. Such a program shall be specifically related to the institutional objectives.

(d) There should be evidence of professional alertness on the part of the faculty as shown by membership and participation in educational organizations, business or professional organizations, continuance of education, concurrent related business experience, or educational research.

(e) The working conditions should be such as to attract and retain instructors of high ability.

(f) Teaching load must be reasonable in student-teacher ratio, number subject preparations, number of periods and hours of assigned instruction, and other duties.

(g) Special recognition will be given when the institution provides: a retirement plan, sick leave plan, study plan or other teacher improvement means, regular faculty meetings, visitations to other schools, and attendance at educational conventions.

2. *Instruction Methods.*

Instruction shall be given by faculty members competent to teach the subject matter offered. Instructors should have reasonable latitude as to teaching methods to be used. The appropriateness of instructional method will be judged by the following criteria:

(a) Instruction should give adequate recognition for individual differences among students.

(b) The progress of a student should be readily measurable. Specialized Colleges and Junior Colleges of Business should use a unit of credit readily convertible to "semester-hours." Business

Schools may use skill tests or any other acceptable methods, provided they are uniformly applied to all students.

(c) The method of instruction should be appropriate to the subject matter.

The lecture method, the laboratory method, and the individual progress or coaching method of instruction are recognized as acceptable teaching methods when used with subject matter which lends itself to the methods in question.

3. *Library.*

The library of the institution should serve the needs of its educational program. If the educational objectives of an institution require extensive library facilities, such facilities should be provided; if the objectives of the institution do not require extensive library facilities, a more modest library is appropriate. Audio-visual teaching devices and materials are properly to be considered in the evaluation of the library. Periodicals, government documents, and pamphlets in the library are to be evaluated in accordance with their usefulness in the particular program of the institution.

Every school should have available and easily accessible, such standard reference works as an unabridged dictionary, an up-to-date set of encyclopedias, a current world almanac and recent editions of secretarial and accounting handbooks.

Although the number and variety of volumes and periodicals are of some importance, appropriateness and usefulness to the program are major considerations. Recency of publication is also important. Subject to variations in education programs, minimum requirements should be:

One-Year Business Schools	250 volumes
Two-Year Business Schools	500 volumes
Junior Colleges of Business	2,000 volumes
Specialized Colleges of Business	5,000 volumes

VI. Student Personnel Services

The institution shall provide such student personnel services as make the total program of each student effective, measurable, and complete. The extent of necessity for such services will be measured by the institution's objectives. Consideration will be given by the Board of Examiners to the degree to which the institution provides successfully such student personnel services, as the following:

1. *A system of records* showing the student's educational and personal background. The student record should provide complete and useful information about the student, including dates attended, subjects studied, credits and grades received, certificates, diplomas or degrees received, and all other information pertinent and necessary.

The record of the student's scholastic history shall be in a form which permits easy and accurate preparation of transcripts of educational record for purposes of transfer, placement, providing reports to the armed services or other government agencies, and for such other purposes as the needs of the student might require. Such transcripts should be in a form readily understandable by lay persons and educators alike. Except for schools with exclusively vocational objectives, the extent of each subject studied shall be indicated in terms of semester hours or other units of credit (the value of which is well established or which can be readily and easily converted to semester hours or like units of credit by the use of a simple, stated formula). The grading system used on such transcripts must be fully explained on the transcript form.

Subjects of study appearing on such transcripts shall be numbered or otherwise designated to indicate the level of difficulty of the subject matter (i.e., whether first or second year; etc.).

2. *A system of educational, occupational, and personal counseling and guidance.*
3. *Guidance and supervision in extra-curricular activities.*
4. *Placement service and post-school followup.*
5. *Orientation activities for new students.*
6. *Student Health Service.* Some type of student health service should be provided.
7. *Dormitories and Eating Halls.* If the institution serves students who live away from home, the Board of Examiners will evaluate the system used by the institution to provide housing and food. The institution should accept reasonable responsibility for ascertaining that its students are well-housed and well-fed under healthful, comfortable conditions operated on a high moral level.
8. *Student Aid.* Loans, grants, or scholarships of any kind made to students shall be investigated carefully by the Board of Examiners.

   Competitive or funded scholarships are permissible, if the conditions of the awards are published in the school catalog or other literature available to the public and if such conditions are subject to periodic review by The Commission.
9. *School Calendar.* The institution shall provide a school calendar showing beginning and end of terms, holidays, etc.

VII. School Plant and Equipment

The buildings, grounds, classrooms, instructional facilities, furniture, equipment, machinery (if any), instructional devices, and other physical requirements of the educational program must be appropriate to the educational objectives of the institution and contribute directly to the achievement of its objective. The physical plant shall meet the following general tests:

1. Safety
2. Usefulness
3. High maintenance standards, including cleanliness
4. Provision for improvements and extensions
5. Adequate health standards
6. Adequate lighting facilities

Physical facilities must be shown to comply with any local or state law governing such facilities, particularly with respect to fire, safety, and sanitation.

VIII. Financial Relations with Students

The tuition and other charges shall be clearly stated in the catalog of the institution or in a comparable publication made readily available to students and the general public. The existence of any separate or comparable publication containing tuition rates and other charges, refunds, and financial policies must be stated specifically in the catalog of the institution. This schedule of charges must be shown to be uniformly administered to all students.

The official record of the student shall show clearly the amounts of money paid by the student and due from him for tuition and other charges.

The refund policy of any individual school must be published in the catalog and it must be equitable.

Refund policy of an individual school will be evaluated in terms of its own operating conditions. In general, The Commission will look with favor upon the following conditions relative to its REFUND POLICY.

1. A policy of not collecting tuition more than one month in advance of student's entering the school; or, if tuition is collected in advance of entrance, not more than $100 shall be collected.
2. If tuition is collected in advance of entrance, and if the student does not enter the school, not more than $50 shall be retained by the school.
3. A policy which provides for a stated and equitable refund of tuition paid in advance in bona fide cases of discontinuance for reasons clearly beyond the control of the student. Such policy may include retention by the school of a reasonable amount in excess of pro rata charges for the time in actual attendance to partially compensate the school for those expenses not diminished by the student's discontinuance.

Any serious deviation from the foregoing conditions may be cause for denying accreditation or withdrawing accreditation.

IX. Student Recruitment

The Board of Examiners shall study carefully the recruitment methods of the institution. The proportion of the total school budget used for purposes of recruitment must not be excessive. The institution's recruitment efforts should be devoted substantially to locating and informing those groups of students which the institution can serve best. Loans, grants, or scholarships shall not be used as a recruitment device when such use results in unfair competitive practice.

All recruitment activities of the institution must be dignified and factual.

X. Stability, Reputation and Professional Stature

The institution must have adequate financial resources to meet its responsibilities and to insure continuity of service. The amount of income per student must be adequate to provide a suitable program; the amount of debt must not burden the educational objectives of the institution; the proportion of budget devoted strictly to instructional program must be adequate; the financial reputation of the institution in its community must be good.

The institution must show evidence of stability in its educational program, in its service to the community, and in the contribution it makes to the type of student body it serves. The length of time an institution has been in continuous service to its community, its reputation with the general public and among educators, the ability of an institution to hold its students and its teachers are other examples of evidence of stability.

Professional stature is shown by active participation in national service and educational associations, such as The United Business Schools Association, and by the breadth and nature of specific contributions to programs and practices which stimulate growth to higher professional advancement of the whole field of business education as exemplified by the private business schools.

XI. Organization and Administration

The ownership, control, and type of legal organization of the institution shall be publicly stated, together with the names of the administrators and/or officers.

The method of administration should be such that each employee clearly understands what are his duties and responsibilities, to whom he reports, and the standards by which the success of his work is measured.

In the administrative organization of the institution, the professional nature of the teacher's occupation must be protected and defended. No institution will be accredited where there is evidence that the instructor's work has been reduced to a mere clerical operation or where the educational freedom of the teacher is impaired.

There shall be evidence of faculty participation in administration through faculty meetings and other such devices.

The annual budget for teachers' salaries, library improvements, curriculum revision, and teacher improvement should be adequate in the light of the stated educational objectives of the institution. The accounting system of the institution shall be modern and complete and shall present an accurate picture of the financial status of the institution.

XII. Catalog

Each institution will publish, or cause to be published, an appropriate catalog of its operation and services with consideration given to the following items: date of publication, table of contents, institutional objectives, descriptions of buildings, legal control, student body, accreditation, affiliations, memberships, calendar, faculty and trustee lists, admission requirements, student welfare services, graduating requirements, curricula offered, expenses, fees, refund policy, scholarships, rooming and boarding accommodations, student activities, rosters, rules and regulations, etc.

CRITERIA FOR GENERAL CLASSIFICATION OF SCHOOLS

Institutions of post-secondary level devoted exclusively or substantially to business education, which have been evaluated by The Accrediting Commission for Business Schools and found to be worthy of public recognition are designated as "accredited" by The Commission. This recognition is an expert testimony that the educational program of the institution is one of high quality.

Accreditation is based upon qualitative criteria. It does not, accordingly, reflect the length of the course offered by the institution, the size of the faculty, or other quantitative aspects of the educational program. Studies of post-secondary business education indicate clearly that there are two broad types of curriculum organization widely used by institutions conducting programs of business education. These two philosophies underlie the educational programs of "business schools" on the one hand and "collegiate schools" on the other. There are high quality programs of education in both. When an institution represents a mixture of the two patterns The Commission classifies the institution in the category which, in its judgment, most nearly describes the institution's program.

Employers, government agencies, students, and others who will use the accredited list of this Commission will be interested not only in the quality of program of an institution but also in the length of program and the general type of curriculum. In view of this likelihood, the Commission therefore classifies accredited institutions first on the basis of length of course and second on the basis of whether the institution has chosen to operate as a business school or as a specialized college.

The Accrediting Commission for Business Schools classifies accredited institutions as follows:

Business Schools:
- One-year Schools of Business
- Two-year Schools of Business

Collegiate Schools:
- Junior Colleges of Business (Two-year institutions)
- Specialized Colleges of Business (Four-year institutions)

The standards used by The Commission in classifying schools are as follows; if not mentioned specifically, requirements are the same for each classification:

Institutional Objectives

Business Schools: Usually state objectives in terms of vocational or occupational competence; set skill goals for completion of courses; emphasize placement as educational objective. A vocational school emphasizes instruction which trains the hand and mind to perform an operation or a variety of operations for which there is a generally accepted employment market.

Collegiate Schools: Place greater emphasis on achievement beyond the purely vocational; frequently have objectives requiring courses of considerable breadth with general education, citizenship, research, etc.; have professional objectives of high level in addition to occupational objectives dependent upon skills; frequently prepare students for state-conferred designations or licences upon examination.

Curricula

Business Schools: Usually restrict curricula to courses culminating in positions dependent upon skills, and relatively short and intensive; place heavy emphasis on skill development; subordinate other subjects by integration or other devices to skill objectives.

Collegiate Schools: Include skill subjects with other subjects given equality of emphasis; give considerable attention to subjects having values as general education; place more emphasis upon breadth and balance in subject matter; include courses two years or more in length, carefully articulated with subject matter in other college-grade institutions; give credit for appropriate work in other collegiate institutions; have systems of prerequisites and courses progressively difficult as students advance.

Admission Policies

Business Schools: Place more emphasis on skill aptitude.

Collegiate Schools: Place more emphasis on general education achievement.

Graduation

Business Schools: May confer certificates of proficiency or diplomas: consider graduation reached when measurable skill level is achieved.

Collegiate Schools: Confer degrees or diplomas comparable to degrees; consider completion of courses achieved upon satisfactory completion of program of subject matter of predetermined length; may confer appropriate "associate" degrees for two-year courses, "bachelor" for four-year courses; award appropriate certificates or diplomas if degrees are not conferred.

Instruction Staff

Business Schools: May emphasize occupational skill or experience as basic requirements in setting qualifications.

Collegiate Schools: May emphasize general education or professional background as basic requirements in setting qualifications.

Instruction Method

Business Schools: More intensive, highly specialized, "individual progress," depend upon job placement for primary motivation; progress measured largely in skill development or achievement of occupational competence; student's day frequently under continuous drill and other supervision; moderate emphasis on library techniques.

Collegiate Schools: More conservative; liberal use of lecture method, formal laboratory method; classes of predetermined length; progress usually measured by grade point average or comparable device depending on standard credit-hour organization; students encouraged to study independently; considerable portion of student day devoted to library research and independent study.

Student Personnel Service

(a) *Guidance*

Business Schools: In terms of occupational and placement; limit guidance-testing largely to occupational aptitudes, skills, ability, etc., highly personalized.

Collegiate Schools: In terms of broad long-term personal objectives; may use broad and general standardized tests as background; may use group guidance techniques in addition to personalized.

(b) *Records*

Business Schools: Student educational history recorded in terms largely related to skill achievement; transcripts designed primarily for employers of skilled help.

Collegiate Schools: Educational history recorded in terms of standard credit-hours achieved in each of several definite terms; transcripts designed primarily for use by educational institutions.

School Calendar

Business Schools: Students start at frequent intervals; many schools state "start anytime"; few vacations; 12-month continuous operation is common.

Collegiate Schools: Students start and finish at quite regular terms as indicated in published school calendar containing dates of beginning and end of terms, holidays, vacations, etc.

School Plant and Equipment

Business Schools: May place somewhat more emphasis on occupational equipment, business machines, etc.

Collegiate Schools: May place somewhat more emphasis on library and housing.

CRITERIA FOR SCHOOLS BY TYPES

The Commission gives consideration to the following criteria in classifying institutions into types describing various quantitative characteristics.

One-Year Business Schools

(a) *Definition.* A one-year business school is a post-high school institution which has as its prime objective achievement of measurable vocational competence and which limits its educational program to courses less than two years in length.

(b) *Stability.* The institution must have been in continuous service to its community for not less than three years and must have offered its principal curriculum in substantially its present form for the same period of time.

(c) *Type of Curriculum.* The principal curriculum must be not less than one school year (36 weeks) in length. The average school week should require of the student at least 25 hours of classroom work, including lectures, demonstrations, laboratory, or library assignments, and supervised practice sessions. There shall be evidence of a well-organized sequence of appropriate subjects leading to occupational competence in some field of business. This statement does not in any way limit an institution to these courses.

(d) *Legal Authority.* The institution must be legally authorized to conduct instruction as a business school. If the laws of the state are silent on this subject, the institution must be comparable in organization and practice with similar institutions in its general geographical locality.

(e) *Financial Stability.* The institution must have, devoted exclusively to education, facilities and property adequate to meet its stated objectives. It must have a satisfactory credit rating.

(f) *Faculty.* The preparation, experience, and size of the faculty shall be adequate to the size and programs of the school as well as the method of instruction used. There shall be a minimum of two full-time teachers having teaching as their responsibility. A full-time teacher is one who teaches not less than 15 clock hours per week and who is paid on a monthly salary rate. The maximum teaching load including night school should not exceed 31 clock hours per week. Where class instruction is used the student-teacher ratio shall not exceed 30 to 1; where individualized study methods are used the ratio shall not exceed 15 to 1.

(g) *Buildings and Equipment.* The seating capacity shall be adequate. There shall be a sufficient number of typewriters and other office machines and equipment of recent model to meet adequately the requirements of the courses offered.

(h) *Library.* There shall be adequate library provision of up-to-date materials and evidence of library use for all subjects in the program requiring by their nature library reference and study, including appropriate periodicals.

(i) *Student Personnel Services.* The institution shall provide an adequate system of student records, a guidance program, a placement program and admission counseling service.

(j) *Admission Policies.* High school graduation or its equivalent shall be required for admission. Adult students who are not high school graduates may be enrolled when it is determined by some test of general ability that they are qualified to study profitably in the curriculum for which they apply.

Two Year Business Schools

(a) *Definition.* A two-year business school is a post-high school institution which offers at least one program of instruction two school years in length, the objectives of which are measured primarily in terms of vocational competence, and completion of a course is determined to a large degree through the measurement of skill attainment. It may not consist of a combination of two one-year programs unless one is prerequisite to the other.

Such an institution does not grant degrees, but confers suitable certificates or diplomas which indicate the skill or vocational competence attained.

(b) *Stability.* The institution must have been in continuous service to its community for a period of not less than three years and must have offered its principal curriculum in substantially its present form for the same period of time.

(c) *Type of Curriculum.* The principal curriculum must provide at least one course which reasonably requires an average student to spend 72 weeks of concentrated effort in full-time attendance for its completion. There shall be evidence of a well-organized sequence of appropriate subjects leading to occupational competence in some field of business. This statement does not in any way limit an institution to these courses. At least half of the subjects in second-year courses must be of second-year difficulty and must be predicated upon specific first-year prerequisites.

(d) *Legal Authority*. The institution must be legally authorized to conduct instruction as a business school. If the laws of the state are silent on this subject, the instruction must be comparable in organization and practice with similar institutions in its general geographical locality.

(e) *Financial Stability*. The institution must have, devoted exclusively to education, facilities and property adequate to meet its stated objectives. It must have a satisfactory credit rating.

(f) *Faculty*. The preparation, experience, and size of the faculty shall be adequate to the size and programs of the school as well as the method of instruction used. There shall be a minimum of three full-time teachers having teaching as their responsibility. A full-time teacher is one who teaches not less than 15 clock hours per week and who is paid on a monthly salary rate. The maximum teaching load including night school should not exceed 31 clock hours per week. Where class instruction is used the student-teacher ratio shall not exceed 30 to 1; where individualized study methods are used the ratio shall not exceed 15 to 1.

(g) *Buildings and Equipment*. The seating capacity shall be adequate. There shall be a sufficient number of typewriters and other office machines and equipment of recent model to meet adequately the requirements of the courses offered.

(h) *Library*. There shall be adequate library provision of up-to-date materials and evidence of library use for all subjects in the program requiring by their nature library reference and study, including appropriate periodicals.

(i) *Student Personnel Services*. The institution shall provide an adequate system of student records, a guidance program, a placement program, and admission counseling service.

(j) *Admission Policies*. High School graduation or its equivalent shall be required for admission. Adults who are not high school graduates may be enrolled when it is determined by some test of general ability that they are qualified to study profitably in the curriculum for which they apply.

Junior Colleges of Business

An institution will be judged for accreditment in terms of the purposes and objectives it seeks to accomplish. While institutions will be evaluated in terms of the criteria given in this statement of policy, it is recognized that institutions vary in the degree to which they meet the criteria. It is accepted as a principle of procedure that superiority in some characteristic may compensate, to some extent, for deficiencies in other respects.

The following criteria are designed to afford guidance to colleges seeking accreditation as Junior Colleges of Business:

(a) *Eligible Institutions:* A Junior College of Business is a Two-Year collegiate school devoted exclusively or substantially to business education at the college level, or a separately administered department or division of business education within an institution having other objectives. In either case its educational objectives should be to provide specialized instruction sufficient to insure adequate preparation for an appropriate semi-professional career. Thus the curriculum should be primarily devoted to business education. However, this requirement is to be evaluated in a manner which will encourage the inclusion of subjects having values of general education, when they contribute to breadth and balance of any course of study.

A Junior College of Business should confer upon graduates an appropriate "associate" degree or diploma. If degree granting, the institution must be legally authorized under the laws of its state to grant the associate degree or must be comparable in organization and practice with similar institutions in its general geographical locality. The Associate degree or diploma of a Junior College of Business shall require the completion of a minimum of 60 standard semester hours normally acquired and earned over a period of 4 semesters of *15 to 19 weeks* of instruction each, or 90 quarter or term hours normally earned over a period of 6 quarters or terms of 10 to 12 weeks of instruction each. A standard semester, quarter or term hour normally requires an average of *three hours of work in class, laboratory and/or study each week for a semester,* quarter or term. Normally an hour refers to a net of 50 minutes of class time with additional time allowed for changing classes.

When an institution offers a two-year baccalaureate degree or other non-standard degree, no action to accredit will be taken until a responsible official of the institution certifies that no future student will be enrolled for the non-standard degree course. Such an institution will be permitted to change such degrees to standard degrees otherwise conforming with the criteria of The Commission. Any change that would affect the degree-granting policy and affect the accreditation status of a school requires consultation with The Commission.

There shall be clear evidence that the degree-granting privilege has not been abused in any way. Examples of abuse:

1. Conferral of honorary degrees
2. Conferral of degrees for an unusual course or an unreasonably short course.

To be considered for accreditment as a Junior College of Business an institution must have been in continuous service to its community for more than five years and must have offered its principal program for at least three years. The total number of regular full-time students for the year in which the institution applied for accreditation must not be fewer than 80, as of the preceding November 1.

An accredited institution is not barred from offering other programs of shorter or longer duration than two years, provided they are taught at the level of collegiate instruction. However, at least 25 percent of the regularly enrolled full-time students must be actively pursuing an associate degree or diploma program and be registered in the second year. *Appropriate consideration will be given to schools enrolling less than full-time students.* Based on total enrollment, a reasonable number of associate degrees or diplomas must have been conferred during each of the three years preceding application for accreditment.

(b) *Organization and Administration.* Every institution that applies for accreditment must offer a definitive statement of its occupational objectives that will be the basis upon which its activities and facilities will be judged. In evaluating the administration, emphasis will be placed upon the manner in which functions are performed, as well as upon the personnel involved, and organization. Attention will also be given such matters as the board of control, the general administrative system, the administration of academic matters, student personnel services, the business adminitration, and adminitration of the plant and equipment.

The form of organization must be stated. If it is a corporation, a copy of the charter or articles and By-Laws and the minutes of the board of control must be submitted. Usually the corporate form of organization is most acceptable for a Junior College of Business. The names and connections of members of the board of control, including the terms of service and any direct or beneficial financial interest that each may have in the institution, is to be shown.

The college is to provide evidence of financial resources adequate for the support of the educational program. Such items as the following are to be considered in determining the financial status of the institution:

> Policies and procedures used in collecting revenues, budgeting, purchasing, accounting and reporting, the expenditure per full-time equivalent student for educational purposes, the income per full-time equivalent student for educational purposes, (tuition, fees and books, the amount of indebtedness and the salaries paid administrative officers).
>
> Careful inquiry will be made into the administration of academic matters, including procedures in appointment, promotion and dismissal of staff; in devising and revising curricula and courses, and in utilizing faculty advisory committees in administration; and into the influence of business or financial considerations on instructional activities.
>
> Consideration will be given to community service by the college and the encouragement of professional activity by members of the college community. A statement should be made of the organizations to which the college, as an institution, belongs, of the recognition accorded the educational work of the college, such as approval by State agencies, and acceptance of credit by other colleges and universities.

(c) *Faculty and Staff.* Institution should have an adequate and competent faculty working under conditions that encourage the best efforts of each individual. Adequacy of faculty will be judged in terms of the scope of the curriculum, the methods of instruction employed, and the average number of students enrolled. The student-teacher ratio shall not exceed 30 to 1. In no case shall the faculty number fewer than four full-time members having teaching as their primary responsibility. The full-time faculty members should be representative of the principal areas of instruction offered by the college.

In judging competence, consideration will be given to the academic preparation and business experience of each teacher. At any one time, no teacher should be assigned to teach in more than three fields of instruction, and preferably in not more than two fields. Teachers should be assigned in terms of their major and minor preparation, interests, and related business experience. *At least one-half of the faculty teaching second-year work* must have master's degrees, LLB, CPA or other professional equivalent. The minimum standards applicable to all schools and colleges must be met by all other faculty. (See pages 26-27.) If the institution offers work in automation and other complex business machines, the teachers giving such instruction will not be held to the college degree requirements provided they are otherwise technically competent and the school also meets the other faculty standards, including four full time faculty members with degrees. Attention will also be given to the proportion of the faculty which has attended or graduated from the institution being visited.

Another measure of competency is the professional interest and activity of the teaching staff. Membership, attendance and participation in professional associations and societies, and technical organizations, as well as publications and other contributions are evidence of professional interest.

In determining satisfactory working conditions, consideration will be given to factors such as instructional load, appointment, tenure and promotion policies, rank and salary structure, provisions encouraging professional growth, and benefits that encourage stability of faculty.

Teaching loads should not be greater than 18 credit hours per week, including evening classes. Consideration will also be given to the number of clock hours of *regularly assigned instruction,* which should not exceed 25 per week, and the number of different preparations required.

Teachers should be appointed by official action of the board of control, upon recommendation of the designated administrative officer. Notices of appointment should be in writing and contain all the conditions of employment, including the period of time for which employment is offered. Such notices when accepted in writing by the staff member, constitute the contract between the individual and the college. It is desirable that appointments be made for a term of one to three years, renewable for stated periods if work is satisfactory.

Careful consideration will be given the salary structure as well as the actual salaries paid. The salary schedule for teaching and administrative personnel should be related to preparation and experience, and should be such as to attract to, and retain on the staff, persons qualified to render effective service in their respective positions. The basis for judging the salary status is the median and maximum salaries paid, not merely a salary schedule.

Faculty morale will be checked by considering evidence of conditions that encourage instructors to give their best teaching efforts. Freedom of each instructor to make such necessary decisions as selection of textbooks and other teaching materials and teaching methods and to set standards for awarding credits and grades are important in this respect. Other conditions that will be considered are retirement, insurance and similar benefits, policies regarding *leaves of absence* and *administrative* encouragement for professional growth and improvement, including reimbursement for travel expenses to professional meetings in their fields of instruction.

(d) *Curriculum and Degree Requirements:* The curriculum is the usual means by which the objectives of a college are achieved. Hence each institution applying for accreditment will be expected to show that it offers such courses as are appropriate to its specific purposes, including an adequate program of general education, of basic business education, and of business courses related to the objectives of the institution. The organization of the curriculum should be such as will best serve the students, and is to be determined by each institution for itself.

The principal curriculum of the Junior College of Business *must be at least 4 semesters of 15 to 19 weeks or 6 quarters or terms of 10 to 12 weeks in length.* It may be terminal in nature or preparatory for senior college professional study.

Of the total credits required for the associate degree or diploma, a minimum of 50 percent should be in business or economic subjects, and at least 25 percent in general education. General education subjects are considered to be those other than business and economics, provided that economic principles, economic history, and economic geography may be included in either category. For purposes of accreditation the term "general education" signifies acquaintance with the major areas of knowledge. It excludes work designed specifically to further occupational competence, including such subjects as Business English and Vocabulary Building, Business Mathematics, and Business Psychology. The framework of the general education program should embrace work in *more than one of the following fields: Mathematics, languages, literature, and related subjects such as psychology, the fine and practical arts, the communication arts and social science. The school may also elect to make offerings from the following fields if it so chooses: Biological science, physical science, the humanities, religion, health education and recreation. A list of suggested course titles that would be acceptable can be had from the Executive Secretary of The Commission.*

In addition to general education, all Junior Colleges of Business must offer work in at least two of the following fields: Accounting, business administration and management, economics and finance, marketing, secretarial science and office machines. Second-year work, based upon appropriate first-year prerequisities shall be offered.

The curricula shall approximate, quantitatively and qualitatively, the standards in effect in recognized collegiate institutions offering associate degrees in business, due allowance being made for meeting regional or other special objectives. Instructional procedures, texts and materials should be those suited to the purposes, curricula and standards of collegiate instruction.

Enrollment in the second year of a two-year program must be sufficient to support regularly scheduled and conducted class and laboratory work, and to insure high standards of instruction. Institutions must submit part-time and full-time enrollment figures for day and evening programs by fields and by classes, and record of the number of associate degrees and diplomas conferred for each of the preceding three years in relation to full and part-time enrollments.

(e) *Library.* The functions of the Library should be determined by the educational program of the college. It should provide the study and reading facilities necessary to make the educational program effective, and there should be evidence that such facilities are appropriately used.

There shall be provisions for an adequate supply of up-to-date library materials and evidence of library use for all subjects in the program requiring by their nature library reference and study, including appropriate periodicals.

In estimating the adequacy of the library, attention will be given to the holdings of general and special reference works, current and bound volumes of periodicals, the number and variety of books, and audio-visual aids and equipment.

The book collection should be up-to-date and include materials for use by both students and faculty. Provision should be made for supplying technical books and periodicals for use by instructors. A large collection of materials relating to subjects not offered in the curriculum will not be regarded as contributing to the effectiveness of the library.

In judging the library, consideration will be given to evidence of use of library holdings by both students and faculty, including methods used to encourage use by students. The library must be under the direction and supervision of a trained librarian (who may be part-time), or a teacher-librarian. There must be a sufficient number of assistants to provide adequate supervision of the library. An adequate annual budgetary allowance must be expended for the purchase of books, periodicals, and other materials, and for salaries of librarians and assistants.

(f) *Student Personnel Services:* The policies and services of an institution with reference to its students should be determined not only by the purposes of the institution but also by the character of its students. A Junior College of Business should admit to its degree or diploma programs only those students whose educational interests and aptitudes, and whose abilities and previous training, qualify them to pursue collegiate preparation for business. In evaluating the student personnel services, attention will be given to recruitment and admission policies and procedures, student records, counseling

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and placement services, financial arrangements and student grants in aid, health services, housing, student organizations and activities.

Graduation from high school, as evidenced by a transcript of credits, should be the minimum requirement for admission to the day school program *for credit courses.* A limited number of qualified adults who have not met the stated admission requirements may be admitted *to the school's credit courses.*

Any deviation from this minimum must be justified by appropriate evidence, such as G.E.D. test results. The admission policy of an institution should provide guidance of prospective students based upon evaluation of previous records and estimates of probable future success. Recommendations from teachers and other individuals who are well acquainted with an applicant provide clues as to his interests and aptitudes. Test and personal interviews given prior to admission also are useful in determining aptitudes and abilities. The rank of a student in his graduating class may be a good measure of his intellectual interests and probable success in college.

Recruiting procedures shall be ethical. Ethical recruiting practices are those that have as their objective the welfare of the student. An institution will be expected to provide not only an initial orientation program, but also a continuing program designed to enable the students to adjust successfully to their work and problems.

It is essential that adequate records be maintained to assist the students during and after admission and subsequent to graduation. Such records should embrace both academic and non-academic records. Academic records should include the complete official history of a student's academic career at the institution and a summary of his previous scholastic work. Students are entitled, in accordance with reasonable regulations, to transcripts of their academic records. The non-academic records should include such information as reports of interviews and vocational interests, health notes, employment experience, family history, participation in extracurricular activities, test results of various sorts, and his financial relations with the college.

An institution should provide such counseling service to students as will adequately meet their educational, vocational and personal needs. This necessitates an organized counseling system in charge of a director or dean. Placement service should be maintained to provide part-time work for students and for employment following graduation. The college should also maintain contact with employers and should inform its students concerning employment conditions and opportunities and ways of obtaining positions.

A college shall clearly state and explain in its information bulletin or catalog all financial requirements and arrangements, including a schedule of fees, tuition and other charges, estimated costs of books and supplies, methods of payment, and refund policies. Also information concerning scholarships, loans and grants of aid should be published. This statement should also indicate the conditions under which such aid is available and awarded, and the obligations of recipients, and the procedure to follow to apply for such aid.

Consideration will be given to evidence of other personnel services usually furnished by collegiate institutions, such as health and medical examinations and service, and housing and food service. Evaluation will be made of an institution's extra-curricular and student activity program, with a view to determining the opportunities for developing student leadership and participation in social, religious, athletic and recreational life. Inquiry will be made as to procedures for control and financing of these activities.

(g) *Plant and Equipment:* The physical plant, comprising grounds, buildings and equipment, should be adequate for the efficient conduct of the educational program of the institution, in accordance with its purposes. In judging the plant, consideration will be given to the adequacy, effectiveness, and maintenance of such features as:

Site and location; type of buildings, including adequate provisions for safety; classrooms, laboratories, and other facilities appropriate to an effective business program; library; offices for instructional, administrative and clerical staff; health, recreation and athletic facilities; auditorium and dormitories. If the plant is not owned by the institution, evidence of long-term occupancy and lease should be presented to demonstrate the stability of the institution.

These criteria will be applicable for all new applications hereafter. Schools up for reaccreditation will be evaluated on these criteria as revisitations take place, with the provision that institutions whose re-evaluations occur in 1961 and 1962 will be given until 1964 to meet new criteria.

Specialized Colleges of Business

It is the policy of the Accrediting Commission for Business Schools to accredit Specialized Colleges of Business conferring baccalaureate degrees, only when accreditation is not normally available through recognized regional accrediting bodies.

An institution will be judged for accreditment in terms of the purposes and objectives it seeks to accomplish. While institutions will be judged in terms of the criteria given in this statement of policy, it is recognized that institutions vary in the degree to which they meet the criteria. It is accepted as a principle of procedure that superiority in some characteristic may compensate, to some extent, for deficiencies in other respects.

The following criteria are designed to afford guidance to colleges seeking accreditation as Specialized Colleges of Business:

(a) *Eligible Institutions.* A Specialized College of Business is a four-year collegiate institution devoted exclusively or substantially to professional business education at the college level. This is interpreted as referring also to separately administered departments, divisions, or schools within specialized institutions also having other objectives. The institution shall be legally authorized by the appropriate state agency to confer baccalaureate degrees. A baccalaureate degree shall require the completion of a minimum of 120 standard semester hours normally acquired and earned over a period of 8 semesters of 15 to 19 weeks of instruction each, or 180 quarter or term hours normally earned over a period of 12 quarters or terms of ten to twelve weeks of instruction each. A standard quarter-, semester-, or term-hour normally requires an average of three class hours of work in class, laboratory, and/or study each week for a semester, quarter, or term. Thus, a three-hour course would necessitate an average of nine hours of work per week. These nine hours may be divided between class lectures and discussions, laboratory, and individual study to suit the particular course for which credit is allowed. Normally, an hour refers to a net of 50 minutes of class time with additional time allowed for changing classes.

There shall be clear evidence that the degree granting privilege is not abused.

In order for an institution to be considered for accreditment, it shall have been in operation as a four-year college long enough to make possible an evaluation of its program. (At the present time, this is interpreted as meaning that the institution has graduated at least three classes.) An accredited institution is not barred from offering programs of one or two years in length, provided they are taught at the level of collegiate instruction. However, at least 25 per cent of the regularly enrolled full-time students must be actively pursuing a baccalaureate degree program and be registered in the junior or senior years. Based on total enrollment, a reasonable number of baccalaureate degrees must have been conferred during each of the three years preceding application for accreditment.

(b) *Organization and Administration.* Every institution that applies for accreditment must offer a definitive statement of its occupational objectives that will be the basis upon which its activities and facilities will be judged. In evaluating the administration, the emphasis will be placed upon the manner in which functions are performed rather than upon the personnel involved or organization, although both are recognized to be important. Attention will also be given such matters as the board of control, the general administrative system, the administration of academic matters, student personnel services, the business administration, and administration of the plant and equipment.

The form of organization must be stated, including a copy of the charter or articles and by-laws, and the activities of the board of control. Usually the corporate form of organization is most acceptable for a specialized college. The names and connections of members of the board of control, including the terms of service and any direct or beneficial financial interest that each may have in the institution, is to be shown.

The college is to provide evidence of financial resources adequate for the support of the educational program. Such items as the following are to be considered in determining the financial status of the institution: The procedures used in collecting revenues, budgeting, purchasing, accounting and reporting, the expenditure per full-time equivalent student for educational purposes (tuition, fees and books), the amount of indebtedness, and the salaries paid administrative officers.

Careful inquiry will be made into the administration of academic matters including procedures in appointment, promotion and dismissal of staff, in devising and revising curricula and courses, in utilizing faculty committees in administration, and the influence of business or financial considerations on instructional activities.

Consideration will be given to community service by the college and the encouragement of professional activity by members of the college community. A statement should be made of the organizations to which the college, as an institution, belongs, of the recognition accorded the educational work of the college, such as approval by state agencies, and of acceptance of credit by other colleges and universities.

(c) *Faculty and Staff*. An institution should have an adequate and competent faculty working under conditions that encourage the best efforts of each individual. Adequacy of faculty will be judged in terms of student enrollment and the ratio of freshman and sophomore students to advanced students. While a student-teacher ratio of 30:1 may be acceptable for junior college work, a somewhat smaller ratio is necessary for work of a more advanced nature. There should be a minimum of six full-time faculty members having teaching as their primary interest. The full-time faculty members should be representative of the principal areas of instruction.

In judging competence, consideration will be given to the academic preparation and business experience of each teacher. At any one time, no teacher should be assigned to teach in more than three fields of instruction, and preferably in not more than two fields. Teachers should be assigned in terms of their preparation, interests, and related business experience.

Normally there should be no teachers without standard masters degrees or the equivalent, and a reasonable number should have doctoral or other terminal degrees. An earned doctorate in economics or business administration from an accredited institution is considered terminal for all courses; for business law, an L.L.B. from an accredited institution is considered a terminal degree; for accounting, a master's degree in economics or business, in addition to the CPA certificate, is considered terminal. A minimum of one-third of the junior and senior level credit hours should be taught by full-time faculty members having terminal degrees, as stated above.

Another measure of competency is the professional interest and activity of the teaching staff. Membership, attendance and participation in professional associations, learned societies, and technical organizations, as well as publications and other contributions are evidence of professional interest.

In determining satisfactory working conditions, consideration will be given to factors such as instructional load, appointment, tenure and promotion policies, rank and salary structure, provisions encouraging professional growth, and benefits that encourage stability of faculty.

Teaching loads should not be greater than 15 credit hours per week including evening classes. Consideration will also be given to the number of clock hours of instruction and the number of different preparations required.

Teachers should be appointed by official action of the board of control upon recommendation of the designated administrative officer. Notices of appointment should be in writing and contain all the conditions of employment, including the period of time for which the employment is offered. Such notices, when accepted in writing by the staff member, constitute the contract between the individual and the board of control.

It is desirable that appointments in lower ranks be made for a term of one to three years, renewable for stated periods if work is satisfactory. Initial appointments in upper ranks and promotions to upper ranks may be made for a definite period of time or for unlimited tenure. Staff members appointed for unlimited tenure should reasonably expect continuance in service unless handicapped or otherwise disabled physically or mentally.

Careful consideration will be given the salary structure as well as the actual salaries paid. The salary schedule for teaching and administrative personnel should be such as to attract to, and retain on the staff, persons qualified to render effective service in their respective positions. The basis for judging the salary status is the median and maximum salaries paid in the several ranks, not merely a salary schedule.

Colleges should follow customary collegiate practices of appointing instructional staff to professorial ranks. Attention will be given to the numbers in each rank, promotional practices, the length of tenure of each faculty member, and other evidences of faculty stability.

Faculty morale will be checked by considering evidence of conditions that encourage instructors to give their best teaching efforts. Freedom of each instructor to make such necessary decisions as selection of textbooks and other teaching materials and teaching methods and to set standards for awarding credits and grades are important in this respect. Other conditions that will be considered are retirement, insurance and similar benefits, policies regarding leaves of absence and specially a sabbatical leave program; and administrative encouragement for professional growth and improvement, including reimbursement for travel expenses to professional meetings in their fields of instruction.

(d) *Curriculum and Degree Requirements.* The curriculum is the usual means by which the objectives of a college are achieved. Hence, each institution applying for accreditment will be expected to show that it offers such courses as are appropriate to its specific purposes, including an adequate program of general education, of basic business education, and of professional and advanced business courses.

The organization of the curriculum should be such as will best serve the students, and is to be determined by each institution for itself.

Of the total credits required for the baccalaureate degree, a minimum of 40 per cent should be in business or economic subjects and at least 40 per cent in general education. General education subjects are considered to be those other than business and economics, provided that economic principles, economic history, and economic geography may be included in either category. For purposes of accreditation, the term "general education" signifies acquaintance with the major areas of knowledge. It excludes work designed specifically to further occupational competence, including such subjects as Business English, Business Mathematics, and Business Psychology. The framework of the general education program should embrace work in all or most of the following fields: mathematics, languages, literature, and related subjects such as psychology, the fine and practical arts, the communication arts and social science. The school may also elect to make offerings from the following fields if it so chooses: biological science, physical science, the humanities, religion, health education and recreation. A list of suggested course titles that would be acceptable can be had from the Executive Secretary of The Commission.

The framework of the professional business program should be organized in terms of majors, and must include a major in business administration or management. Other majors may be offered as a school may desire. As a foundation for training in business, instruction should be offered in economics, accounting, statistics, business law, personnel management or industrial relations, finance, marketing, and business organization and management or industrial management. It is desirable that instruction in the introductory courses in each of the foregoing fields be required of all candidates for the baccalaureate degree. The requirements for majors in secretarial administration and teacher education may vary somewhat from this standard. Opportunities beyond the basic and introductory courses should be available in at least three of the fields listed above.

The curricula shall approximate, quantitatively and qualitatively, the standards in effect in recognized collegiate institutions offering baccalaureate degrees in business, due allowance being made for meeting regional or other special objectives. Instructional procedures, texts and materials should be those suited to the purposes, curricula and standards of collegiate instruction.

Enrollment in the upper two years of a four-year program must be sufficient to support regularly scheduled and conducted class and laboratory work and to insure high standards of instruction. Institutions must submit part time and full time enrollment figures for day and evening programs by majors and by classes, a record of the number of baccalaureate degrees conferred for each of the preceding three years in relation to full and part time enrollments.

(e) *Library*. The functions of the library should be determined by the educational program of the college. It should provide the study and reading facilities necessary to make the educational program effective, and there should be evidence that such facilities are appropriately used.

In estimating the adequacy of the library, attention will be given to the holdings of general and special reference works, current and bound volumes of periodicals, the number and variety of books, and audio-visual aids and equipment. The book collection should be up-to-date and include materials for use by both students and faculty. Provisions should be made for supplying technical books and periodicals for use by instructors, although such materials may not be readily usable by students. A large collection of materials relating to subjects not offered in the curriculum will not be regarded as contributing to the effectiveness of the library.

In judging the library, consideration will be given to evidence of use of library holdings by both students and faculty, including methods used to encourage its use by students. The library must be under the direction and supervision of a professionally trained librarian. There must also be a sufficient number of assistants and full time supervision of the library must be provided. An adequate annual budgetary allowance must be provided for the purchase of books, periodicals and other materials, and for salaries of librarians and assistants.

(f) *Student Personnel Services.* The policies and services of an institution with reference to its students should be determined not only by the purposes of the institution but also by the character of its students. A Specialized College of Business should admit only those students whose educational interests and aptitudes, and whose abilities and previous training qualify them to pursue collegiate preparation for business. In evaluating the student personnel services, attention will be given to recruitment and admission policies and procedures, student records, counseling and placement services, financial arrangements and student grants in aid, health services, housing, student organizations and activities.

Graduation from high school, as evidenced by a transcript of credits, should be the minimum requirement for admission to the day school program. A limited number of qualified adults who have not met the stated admission requirements may be admitted to the evening school credit courses. Any deviation from this minimum must be justified by appropriate evidence, such as G.E.D. test results. The admission policy of an institution should provide guidance of prospective students based upon evaluation of previous records and estimates of probable future success. Recommendations from teachers and other individuals who are well acquainted with an applicant provide clues as to his interests and aptitudes. Tests and personal interviews given prior to admission also are useful in determining aptitudes and abilities. The rank of a student in his graduating class may be a good measure of his intellectual interests and probable success in college.

Recruiting procedures shall be ethical. Ethical recruiting practices are those that have as their objective the welfare of the student.

An institution will be expected to provide not only an initial orientation program but also a continuing program designed to enable the students to adjust successfully to their work and problems.

It is essential that adequate records be maintained to assist the students both prior to and after admission. Such records should embrace both academic and non-academic records. Academic records should include the complete official history of a student's academic career at the institution and a summary of his previous scholastic work. Students are entitled, in accordance with reasonable regulations, to transcripts of their academic records. The non-academic records should include such information as reports of interviews and vocational interests, health notes, employment experience, family history, participation in extra-curricular activities, test results of various sorts, and his financial relations with the college.

An institution should provide such counseling service to students as will adequately meet their educational, vocational and personal needs. This necessitates an organized counseling system in charge of a director or dean. Placement service should be maintained to provide part-time work for students and for employment following graduation. The college should also maintain contact with employers and should inform its students concerning employment conditions and opportunities and ways of obtaining positions.

A college shall clearly state and explain in its information bulletin or catalog all financial requirements and arrangements, including a schedule of fees, tuition and other charges, estimated costs of books and supplies, methods of payment, and refund policies. Also information concerning scholarships, loans and grants of aid should be published. This statement should also indicate the condition under which such aid is available and awarded, and the obligations of recipients, and the procedure to follow to apply for such aid.

Consideration will be given to evidence of other personnel services usually furnished by collegiate institutions, such as health and medical examinations and service, and housing and food service. Evaluation will be made of an institution's extra-curricular and student activity program with a view to determining the opportunities for developing student leadership and participation in social, religious, athletic and recreational life. Inquiry will be made as to procedures for control and financing these activities.

g) *Plant and Equipment*. The physical plant, comprising grounds, buildings and equipment, should be adequate for the efficient conduct of the educational program of the institution in accordance with its purpose. In judging the plant, consideration will be given to the adequacy, effectiveness, and maintenance of such features as site and location; type of buildings including adequate provisions for safety; classrooms, laboratories and other facilities appropriate to an effective business program; library; offices for instructional, administrative and clerical staff; health, recreation and athletic facilities, auditorium and dormitories. If the plant is not owned by the institution, evidence of long-term occupancy and lease should be presented to demonstrate the stability of the institution.

"Accreditation is an authoritative and reliable criterion of the professional stature and integrity of an institution. It is a responsibility to the American public whose children these institutions would educate, to provide a reliable rating based on factors of educational competence."

From the Criteria

Institutions listed in this Directory may use the fact of accreditation in the following manner:

Accredited by
THE ACCREDITING COMMISSION FOR BUSINESS SCHOOLS

Permissible also is the statement that "The Accrediting Commission for Business Schools has been designated as a Nationally Recognized Accrediting Agency by the United States Office of Education under the provisions of Public Law 550 and subsequent legislation which requires the evaluation of such agencies and issuance of an official list by that office," or an approximation thereof.

Not permissible is the use of such statements as "fully accredited" nor "accredited" without including the name of The Accrediting Commission for Business Schools, nor "accredited" by an agency such as UBSA, which does not accredit.

ADMINISTRATIVE OFFICE
Schools Center Building, 5057 Woodward Avenue
Detroit, Michigan, 48202
Telephone (313) 833-8383

EXHIBIT B

[The Wall Street Journal, Jan. 23, 1964]

BUSINESS SCHOOLS LIFT ENROLLMENTS AS OFFICEWORK FIELD EXPANDS

EXECUTIVE SECRETARIES STUDY ETHICS; JACKSONVILLE SCHOOL OFFERS STUDENTS POOL, PATIO

(By Vernon I. Griffin, staff reporter of the Wall Street Journal)

Tall, attractive Sherrie Luttrell enrolled in Draughon's Business College in Dallas last February, a few months after dropping out of Arlington State College in Arlington, Tex.

Miss Luttrell wanted to be a legal secretary. "In college," she explains, "the closest courses to what I wanted were prelaw." At Draughon's, on the other hand, she has been taking courses in legal terminology and business law in addition to typing and shorthand.

Miss Luttrell's experience helps explain why Draughon's and many other business schools around the country are flourishing. Such schools offer practical training, often unavailable at regular colleges, aimed at preparing young men and women for careers in the expanding officework field.

Most business schools offer programs that last for 1 or 2 years and charge tuition fees ranging from about $500 to $1,000 a year. Most of their students are fresh out of high school, but a growing number, such as Miss Luttrell, are transfers from regular colleges.

ABOUT 250,000 STUDENTS

Indeed, enrollment at business schools may be growing faster than at regular colleges. About 250,000 students now attend the Nation's 1,300 business schools, a 34-percent increase since 1958, according to South-Western Publishing Co., Cincinnati publisher of business school textbooks. That compares with a 30-percent gain in regular college enrollment during that period.

Business school enrollments have increased partly because some colleges have dropped many courses for office workers. About 30 years ago almost all business departments in regular colleges offered such courses. By contrast, a survey conducted 4 years ago found such courses listed by only about 60 percent of some 250 colleges surveyed.

"Universities are fine for the crown princes of commerce, but not everyone can become a prince," says Richard A. Fulton, executive director of the United Business Schools Association, a trade group.

To prepare their students for office careers most business schools continue to rely heavily on such traditional subjects as typing and shorthand. But with automation eliminating some routine office chores, many schools have been introducing new subjects.

ETHICS AND ELECTRONICS

Some have added specialized courses for legal, medical, and executive secretaries. The Washington School for Secretaries for example offers a 2-year program for executive secretaries which costs $1,380 and includes such subjects as ethics and human relations. A number of schools have entered such technical fields as computer programing, keypunch operation, drafting, and electronics.

"We decided we had a tremendous job potential here with the Manned Spacecraft Center," says W. L. Strawn, president of Massey Business College, Houston, Tex., which 2 years ago added a 2-year course to train electronic technicians. Mr. Strawn says enrollment in the course jumped to 75 students last fall, up from 6 when it was introduced. "I could place 100 graduates right now," he says.

School officials claim the quality of their students has improved as their courses have grown more demanding. "Students today are as different as day and night from students a few years ago," says H. E. Cannon, manager of Draughon's Business College. "We used to be able to take a student, teach him a little typing and accounting and he could find a job. But students have to be better today."

"We've had as many as 40 high school salutatorians and valedictorians at one time," says Glen F. Trefren, a director of Kinman Business University, Spokane, Wash. He estimates that one-half of Kinman's students come from the top third of their high school classes.

While business school enrollment has been rising, the number of schools has been dropping, mainly because weaker schools have been closing down in face of competition from stronger schools. "There aren't nearly as many fly-by-night schools as there used to be," notes one business school man. "The schools that rushed in after World War II and didn't do a good job were weeded out after the veterans boom."

Nevertheless, some unethical schools continue to operate. Mrs. Virginia Lovett, trade practice consultant for the Better Business Bureau in Los Angeles, tells of a Los Angeles business school that advertised it was "approved." "When I asked the school owner who approved the school," Mrs. Lovett recalls, "he said his wife had. She also had written the course."

Another school recently advertised "48 unique budget plans for paying tuition," says Mrs. Lovett. "When I asked the school operator to write all 48 down he told me he just thought there should be about 48 ways of paying tuition," she says.

Such schools damage the reputation of the entire field, business educators complain. Last summer the United Business Schools Association sent representatives to five big corporations in hopes of increasing their hiring of business school graduates. "In a nice way, each firm indicated some parts of our industry are below standard," says an official of the association.

"To the average man a business school means an upstairs school where short courses in typewriting are taught," says Jack H. Jones, chairman of trustees of Jones College, a business school in Jacksonville, Fla.

Last spring Jones College, which had been renting 14,000 square feet of office space, moved into larger quarters providing about 15,000 square feet for classroom and administrative office space and about 35,000 square feet in dormitory space for 210 students. The school's new lease also permits use of a large swimming pool and patio.

Mr. Jones expects the current enrollment of 645 to increase by 20 percent next fall and 60 percent by 1968. "We may not be Ivy League yet," he says, "but we're a far cry from what we used to be."

About 215 schools are accredited by the Accrediting Commission for Business Schools, an agency formed in 1952 by about 100 business schools to help establish standards for the field. The commission takes into consideration such things as curriculum, admission policies, faculty, library, and equipment. Requirements vary for the type of school and generally are stiffer for 2-year schools than for 1-year schools.

EXHIBIT C

DEPARTMENT OF
HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
WASHINGTON 25, D.C.

U. S. C. A.
RECEIVED
MAR 1 1964
WASHINGTON, D. C.

February 28, 1964

Mr. R. A. Fulton
Executive Director
United Business Schools Association
1518 K Street, N. W.
Washington 5, D. C.

Dear Mr. Fulton:

I appreciated very much the initiative you showed the other day in calling me regarding the Training Opportunities Bulletin we have underway. You would have received my letter soon anyway but your willingness to cooperate in advance of my letter certainly shows your usual good intentions.

One of the basic objectives of vocational guidance services is to help secondary school youth develop purposeful educational plans to achieve broad career goals. These services are provided in practically all of our schools today.

The quality of these programs is determined in large part by the availability of sufficient reliable information on post-high school training opportunities to permit realistic planning.

Teachers and counselors need information about the many and varied schools and other sources of preparatory and on-the-job training available to pre-entry youth workers.

This office is planning to produce a bulletin which will acquaint counselors and teachers with essential information on the following non-degree college type training facilities: adult education, apprenticeship training, correspondence and home study schools, junior colleges, military services, armed forces institute, on-job training, and trade and business schools.

NOTE!

It is not intended that a directory of these schools and other institutions will be prepared, but rather it is hoped that educational counselors will find the publication useful for general orientation information including essential characteristics of each type of training and sources of additional information.

I had expected that you would be willing to assist us on the chapter covering business schools as a companion to the chapter on trade and technical schools. I am having some problems relative to the division of responsibility for differentiating public and private schools.

The way I have it setup now Ken Brunner will present the public and private trade and technical training institutions. Dr. Morrison and Dr. Gleazer will provide me with materials on the junior colleges. You can see that from these two contributions the public schools will be well taken care of. I am hoping that Bill Fowler and Dr. Lockmiller will take care of the private home study chapter, therefore, with your chapter on business schools including a description of the activities of the Accrediting Commission for Business Schools we should have everything pretty well covered. I still feel that we are not presenting the case for private trade schools as well as we should, but as you know it is difficult to identify an organization that can present their story.

Our preliminary plans call for approximately 2500 words on each type of training. The content areas to be covered in each type of school may be altered to meet your needs, but generally the following are considered to be guides for you to follow:

1. Training purpose and objectives
2. Enrollment characteristics and national trends
3. Major curriculum areas including the following for each area:
   a. Educational background requirements
   b. Length of training
   c. Sequence of training programs as related to advancing occupational levels (Where can the student get further training?)
4. Recognition and accreditation status; accrediting agencies and procedures for acquiring it
5. Sources of training or sources of information about training opportunities
6. Short bibliography of journal references counselors and teachers could use for additional information

In addition to your contribution and those of other representatives, it is planned to write an introductory chapter on the needs, purposes and problems relating to training following high school. There will also be a closing chapter summarizing the individual contributions.

It is hoped that your part of the bulletin could be completed in preliminary form by March 27. If there are any questions regarding the whole project, or your hoped-for part in it, please call me WO 3-5936 or write me: U. S. Office of Education, Guidance and Counseling Programs Branch, 400 Maryland Avenue, S. W., Washington 25, D. C.

Sincerely yours,

Harold J. Reed

Harold J. Reed
Specialist, Career Development

EXHIBIT D

UNITED STATES CIVIL SERVICE COMMISSION
BUREAU OF PROGRAMS AND STANDARDS
WASHINGTON 25, D.C.

IN REPLY PLEASE REFER TO
PSA:CLC

YOUR REFERENCE

APR 2 1963

Mr. R. A. Fulton
United Business Schools Association
1518 K Street, N. W.
Washington 5, D. C.

U. B S. A.
RECEIVED
APR 3 1963
WASHINGTON, D. C.

Dear Mr. Fulton:

In accordance with the promise made to you last week by both Mrs. Storm and myself, there is attached a copy of the tentative draft of the proposed new qualification standard for stenographer and typist. This draft has been sent to all agencies of the Federal Government, to the appropriate field offices of the Civil Service Commission, and to the major employee unions.

This is a tentative proposal and you will note the presence in the draft of a number of questions concerning which we are soliciting comments from the recipients. Any comment or suggestions that the United Business Schools Association submits will be carefully considered before the final standard is prepared and approved.

Sincerely yours,

Robert J. Trudel

Robert J. Trudel
Chief, Administrative, Financial
and Legal Occupations Section
Standards Division

Enclosure

A Standards Division Project

U.S. CIVIL SERVICE COMMISSION
BUREAU OF PROGRAMS AND STANDARDS
WASHINGTON 25, D.C.

Tentative draft of STANDARDS

for

CLERK-TYPIST
CLERK-STENOGRAPHER
CLERK-DICTATING MACHINE TRANSCRIBER
QUALIFICATION STANDARDS ONLY

Suggestions for revision are due MAY 1, 1963

This draft of standards is subject to revision prior to final approval and publication; therefore, it should not be used as a basis for any personnel action.

NO ADDITIONAL COPIES AVAILABLE. COPIES MAY BE DUPLICATED IF NECESSARY.

29-655 O - 64 - 23

UNITED STATES CIVIL SERVICE COMMISSION
BUREAU OF PROGRAMS AND STANDARDS
STANDARDS DIVISION

TENTATIVE DRAFT OF PROPOSED QUALIFICATION STANDARDS FOR

CLERK-TYPIST
CLERK-STENOGRAPHER
CLERK-DICTATING MACHINE TRANSCRIBER
POSITIONS

March 1963

NOTE: These proposed standards are in preliminary form and are not to be used for official action until such time as they are approved in final form and published by the Commission.

Attached for your review and comment is a tentative draft of a revised qualification standard and examining guide for Clerk-Typist GS-2/4; Clerk-Stenographer GS-3/5; and Clerk-Dictating Machine Transcriber GS-3/5 positions. Also attached is a report titled "Proposed Changes in the Typist-Stenographer Qualification Standard" which sets forth the major changes, the objectives and reasons for each, and the issues yet to be solved. Your attention is especially invited to this paper and to the problems it discusses.

It is the intention of the U. S. Civil Service Commission to put a new qualification standard for these positions into effect January 1, 1964, and also to issue on that day new examination announcements for these positions. In order to do that, there is a very large amount of work to be done. Tests must be constructed and printed; informational material for teachers and schools must be drafted, printed, and distributed; further test research must be completed and evaluated; etc. Much of this work cannot even be started until we have evaluated your comments on the attached draft and have resolved the issues on the standard itself.

For these reasons, it is necessary that we have your comments and suggestions on the attached draft as soon as possible, but in no event later than May 1, 1963. Please address your comments through your usual agency channels to the Standards Division, Bureau of Programs and Standards, U. S. Civil Service Commission, Washington 25, D. C.

Albert P. Maslow

Albert P. Maslow
Chief, Personnel Measurement Research
and Development Center
Standards Division

Robert J. Trudel

Robert J. Trudel
Chief, Administrative, Financial
and Legal Occupations Section
Standards Division

Raymond Jacobson

Raymond Jacobson
Chief, Standards Division

PROPOSED CHANGES IN THE TYPIST-STENOGRAPHER QUALIFICATION STANDARD

General Background

In January 1963, the U. S. Civil Service Commission decided, after considerable study, that the qualification standard for stenographer and typist positions should be made more demanding. The basic changes in the requirements consist of:

N.B. 1. revisions in the education-experience requirements; (would generally limit eligibility of high school graduates without experience to typist GS-2 and stenographer GS-3)

N.B. 2. wider use of teacher certificates of proficiency; (was experimentally used last year for typing in limited areas, would now be used in all areas for wider variety of situations, and for stenography as well as typing.)

3. use of a five minute rather than a ten minute typing performance test; (would be consistent with modern school practice, greatly facilitate use of teacher certificates, and reduce the cost of scoring the tests.)

4. substitution of an improved verbal and clerical abilities test for the written test now in use;

5. raising of the accuracy, but not speed, required for eligibility in typing; (would eliminate marginal eligibles from primarily the GS-2 typist registers.)

The new requirements will be put into effect January 1, 1964. This scheduling is designed to time the implementation of the new standard to:

a. coincide with the second salary increase of the Federal Salary Reform Act of 1962;

b. institute the revised standard at the time the spring school recruiting campaign is opened so as to lessen any adverse effect on the supply of eligibles.

Full implementation on January 1, 1964 requires on or before that date:

a. new examination announcements in all areas;
b. revision, and distribution to schools and teachers, of the booklet "AN 2400R Federal Stenographer and Typist Examination - What It Is and How It Is Given".

Although certain fundamental decisions have already been made on the basis of earlier study and on consultation with agencies (through the IAG), there remain many areas where further consideration is needed. The remainder of this paper is devoted to discussion of both the decisions already made and the matters still under consideration. Explanations, background data, etc., as appropriate, are provided in each instance.

Why Change Now?

For some time we have felt that the Government is not obtaining the quality of stenographers and typists which it should have. New classification and qualification standards were put into effect on a nationwide basis about three years ago which raised the requirements to some degree. Those new standards were definitely a step in the right direction but the step was too small in the light of the situation today.

Pay rates are now as a matter of principle comparable to those of industry. The time is at hand to begin to demand quality and competence commensurate with the salaries we offer.

We are in the midst of an aggressive "Quest for Quality" program generally and cannot afford to exclude stenographers and typists from that program. There is a dollars and cents aspect too. With well over 130,000 stenographers and typists, each overall increase in efficiency which results from hiring better eligibles adds to the volume and the quality of work which can be produced.

We need greater equity as to the grades offered for educational achievements of various types. The current practice of hiring high school graduates without experience as stenographers at GS-4 is incompatible with recruiting graduates of four year colleges at GS-5. The difference between GS-4 and GS-5 is far too small to compensate for the greater educational attainment, greater overall capability, and greater potential for rapid advancement to high level work generally offered by college graduates. Further, accepting high school graduation as generally fully qualifying for GS-4 precludes giving appropriate credit (in terms of grade-level N.B. eligibility) for post-high school education such as business school, technical institute, junior college, or partially completed college, which is of recognized value in many kinds of clerical and technician positions.

The "Shortage" Problem

Raising of the requirements for these positions may well be accompanied by problems. In some areas there may be an immediate intensification of the "shortage". This must be offset by better recruiting efforts, by emphasis on the desire for high quality typists and stenographers, and by extending recruiting efforts into new sources (e.g., business schools).

Better utilization of all available employees and sources of employees is another approach which must be fully exploited. In many instances, for example, it may be possible to restructure jobs so that fewer of the total number of positions involve typing or stenography. To assist in this latter effort, the Commission has been experimenting during the last year with ways to examine for clerical positions. There seems to be reason to be optimistic about the availability of applicants who are at least as capable in the performance of clerical tasks as are typists and stenographers. Greater utilization of clerks would help alleviate the shortage of typists and stenographers.

In the same vein, there is an urgent need to reexamine, carefully and in depth, whether "fully qualified" stenographers and typists are in fact required in all of the positions which are now classified as Clerk-Stenographer and Clerk-Typist. A recent research project produced the following interesting data. Of a group of stenographers all presently employed in the Federal service being studied, 51.8 reported they spent less than 1 hour per week taking dictation. (Transcription time is additional.) Only 16.5% of this part of the group were able to achieve as low as a 10% error rate on a 90 word per minute dictation test, compared with 34% of those who took dictation more than 1 hour per week. While the experimental group is too small a sample upon which to generalize reliably, there is no evidence that it is not, in fact, representative. Question: Since so little skill is now needed or used on 50% of these jobs, why should a high level of skill be demanded for initial appointment to them? (80% of the total group claimed to have had even higher stenographic ability at an earlier date. If so, it was lost on the job.)

Also to be considered in dealing with shortages are possible changes in work methods, the greater utilization of mechanical substitutes for typing or stenography, and other means of reducing the demands for manually produced typed documents.

In a sense, however, there is probably no way to eliminate the shortage completely, particularly in the case of stenographers. The shortage is a real one, felt by industry and Government alike. We previously tried to deal with it by lowering standards and thus allowing a higher proportion of applicants to qualify. The attempt failed; the shortage is still here. Worse, there are now complaints of the poor quality of the eligibles in addition to complaints of unfilled positions. We now feel obligated to try a different approach--to seek a more capable work force. The use of higher qualification requirements can be more effective than any previous effort in providing total staff capability to meet program goals. In terms of sheer numbers, the shortage may well continue; but a smaller, more capable, more fully utilized, staff should be able to produce more and better results than could a larger number of persons of mediocre skill.

Experience and education requirements

N.B.

High school graduates who pass the written and performance tests have previously been eligible for Typist GS-3 and Stenographer GS-4. Completion of post-high school education such as business school, junior college, or even college study was not recognized for additional credit, although much evidence points to the generally higher caliber of applicants so trained.* The new requirements provide that

* In testing the clerical and verbal abilities of sample populations, we found that the median score of the business school population is significantly higher than is the median score of either high school seniors or present Federal employees in clerical positions. In addition, of course, the business school population receives additional education and training which broadens the applicants' overall knowledges and skills and improves their proficiency in typing and shorthand.

Bus. Schools NOTE

This was the project initiated in fall of 1961 when I first became Exec. director.

high school graduation and passing a prescribed test qualifies only for Typist GS-2 and Stenographer GS-3. Eligibility for Typist GS-3 and Stenographer GS-4 will demand either additional experience or post-high school education.

This change will offer a number of advantages:

1. Offering salaries will be more in line with those of industry in most (but not all) areas;

2. The starting grades for stenographers and typists will be more in line with the entrance grades for other clerical occupations and with the entrance grade of GS-5 for professional and managerial occupations;

N.B.

3. We will gain an improved recruiting posture in the business schools and junior colleges by offering an appropriate grade-level differential for successful completion of significantly valuable post-high school education.

There have been numerous suggestions received that it may be desirable to permit the superior high school graduate to qualify without experience as Clerk-Typist GS-3 and Clerk-Stenographer GS-4. These suggestions are still being actively studied. Comments and suggestions will be appreciated on such questions as the following:

a. What evidence can be furnished that superior high school graduates actually do perform at the proposed higher grades within a short time - e.g., 2 to 3 months?

b. How would you define a "superior" high school graduate - in terms of school marks, class standing, test scores (and, if so, what test) personality traits, etc.?, and at what level of attainment?

c. How feasible would it be to identify these characteristics and attainments in the competitive examining situation? What operational problems are there? What solutions are available?

d. Is such a provision worth while in terms of feasibility, number of probable hires, examining cost, possible inequities vis-a-vis other occupations, etc.?

Teacher certificates of proficiency

Teacher certificates of typing proficiency have been used experimentally in specified limited circumstances. A follow-up study on the experiment was made and the results justify moving ahead. This program is being extended to a broader range of situations and to stenography also. Extending this program will facilitate the recruiting of better applicants, and will be especially valuable in recruiting from high schools, business schools, junior colleges, etc. The general requirements for the use of certificates are included in the attached proposed Examining Guide.

N.B.

Typing Test

Two changes are planned in the typing test

A) reduce time from 10 minutes to 5 minutes;
B) raise the minimum acceptable typing and speed-accuracy performance from 29 net words/minute to 35 net words/minute (no change in the gross speed requirement).

There are a number of operating advantages to using a shorter test, such as time saved in rating papers, and greater comparability with existing practices in schools and with other testing agencies such as USES. In a series of studies comparing performance on short typing tests against our standard 10-minute test, we found that typing speed was measured accurately and adequately with the 5-minute test. While the number of errors made in 5 minutes was not measured as reliably as was typing speed, the reliability of the combined speed and accuracy measure was sufficiently high to warrant the use of the shorter test.

We also found that the lack of stability in the two test situations was most pronounced among the poorer or marginal typists. Raising the speed-accuracy performance to 35 net words/minute has the effect of eliminating those competitors whose performance was more erratic and at the same time brings the CSC standards closer in line with existing school requirements. In applying the 35 net word standard to scores of a group of approximately 4,000 stenographer and typist competitors in the D. C. area, there was little effect on the number of GS-3 and GS-4 stenographer and GS-3 typist eligibles (about 2% to 3% loss). However, about 25% of the typists who would have been eligible at GS-2 using the current 29 net words/minute standard would be rejected. These were essentially competitors whose performance at best could be considered only marginal. (The same data were screened at 40 net words/minute but at this performance level the losses were too heavy to be operationally feasible with the type of competitors attracted by the announcement now in use.)

Dictation Test

No changes are planned in the speed or accuracy requirements of the dictation test. Our studies indicate that it is the dictation test itself that accounts for the largest number of failures among steno applicants. Competitors passing this test have relatively little trouble passing the typing and clerical tests even at the high cutoff scores used for clerical positions.

There is no evidence warranting a change in the present dictation rate of 80 wpm. Study of some 200 employed stenos in grades GS-3, 4, and 5 in five agencies clearly indicated that the ability to handle dictation at speeds above 80 wpm is rapidly lost on the job. (There is a strong indication from the study that this is due in large part to the small amount of dictation most stenographers receive on the job.)

In addition to the excessive loss of eligibles that would result from raising the rate of dictation, our findings indicate (1) that the typical steno positions do not require speeds higher than 80 wpm and (2) that greater gains in quality would result by decreasing the number of acceptable errors rather than by raising dictation speed.

The number of errors now acceptable (14 or approximately 10%) is high in comparison with school standards where a 5% error rate is more common. However, two points must be kept in mind; (1) the apparent shortage of stenographers, and (2) school testing conditions are generally more favorable for the competitor than are those ordinarily found in CSC examining. Both these points argue against adopting standards as high as those reported by schools. However, if a decrease in the percents of eligibles from 30% (on total test battery) to about 21% is tolerable, it would be possible to reduce the number of permissible errors to 10% or an 8% error rate. Such a move would bring CSC standards closer in line with school standards and provide some improvement in the quality of the registers. (These data do not take into account any changes in the ability of applicants to improve their performance to meet the higher standards.)

Clerical Test Battery

It is planned to modify the current tests so as to be able to provide three part scores, each of which would be sufficiently reliable for selective placement or minimum standards uses. The tests would require about 90 minutes and be printed in two booklets, as follows:

Booklet 1
(1) Verbal abilities (85 q., including reading comprehension, vocabulary, spelling and grammar);
(2) Arithmetic (40 q. on computation with complex numbers).

Booklet 2
Clerical abilities (125 questions covering a variety of ordinary clerical tasks, such as alphabetizing, checking names and numbers, coding and simple arithmetic).

We propose to use the Verbal and Clerical Abilities Tests to determine basic eligibility and register order. The arithmetic subtest in Booklet 1 would be used only as a selective certification factor for those positions requiring a relatively high level of facility with numbers.

There are two additional reasons for including an arithmetic test in this battery. First: We know that in 90% of all Clerk-Typist and Clerk-Stenographer positions, the clerical work constitutes a very substantial and probably a preponderant part of the job. Arithmetic skills are needed in many of these types of clerical duties. Second: We are looking forward to a time when the Typist-Stenographer and Clerical examinations are more coordinated than is true today so that applicants for these types of positions may compete in fewer examinations. Greater uniformity of test batteries for these positions will be desirable under such conditions.

Changes in Test Rating Standards for Stenographer and Typist Positions

The minimum passing scores on the verbal and clerical abilities tests are still under study.

As part of an omnibus examining program, use of the same clerical battery for the stenographer and typist positions as for clerical positions has obvious operating advantages. Such a plan raises the question as to whether passing scores for clerk applicants can and should be applied to stenographer and typist applicants.

Data from stenographer and typist exams in five areas outside D. C. indicate that applying the same clerical standard and test to the GS-2 typist position as is now used for the GS-2 clerk as well as raising the typing requirement to 35 net words/minute will cut the number of GS-2 typist eligibles in half (20% as compared to 42%). For GS-3's the reduction is from 22% to 13% eligible. (Eligibility, however, in this study was based on the current education-experience requirements rather than on the attached proposed standard.)

Despite the heavy impact on the rate of eligibility, it seems reasonable to tighten up the typing test standard to obtain better qualified typists. Whether the same clerical test standard should be applied to typists, however, is less clear. It can be argued that, even if the level of ability required on clerical tasks is the same for typists as for clerks, a higher than minimum standard for clerks is defensible because of the relatively larger ratio of clerical applicants to jobs than of typist applicants to jobs. (These observations apply also to setting clerical standards for stenographers.) Thus, the same test could be applied to typists with a somewhat less difficult cutting point than would be applied to applicants for clerical positions.

As noted earlier, there is only a slight effect on stenographer eligibility rates as a result of use of full clerical test standards.

Change in Basis for Final Ranking

In view of other changes in the standard we plan to rank the eligibles on the basis of the combined verbal and clerical test score. The typing and stenography performance tests would be qualifying only.

At present, the stenographic test is used on an in/out basis and the final ranking for register purposes is based on averaging the typing test and the verbal ability test.

We studied the effect of using the typing test on an in/out basis and determining register rank by the combined score on the verbal and clerical tests. This could result in some operating economies in rating and averaging of scores.

Three hundred forty-two applicants from Washington, D. C., and the Philadelphia Region who had passed the typing examination under present standards were ranked using the present method (averaging typing and verbal test) and also on the basis of the verbal test alone. The characteristics of the top third of the two registers were compared.

While there was considerable overlap between the two methods of ranking, we found that ranking on the basis of the verbal test alone produced in the top 1/3 of the register a number of bright young people but with only marginal typing ability.

The process was repeated applying a higher typing accuracy standard (35 net words/minute). As expected the overlap between the two registers was even greater than before and with smaller differences in test performance between the groups at the top of both registers.

With the marginal typists eliminated by the 35 net words/minute standard, it is therefore possible to capitalize on the operating advantages of using the typing test on an in/out basis without deleterious effect on the quality of the top portion of the register.

Summary of Test Proposals in Attached Draft

I. Typing Test

a) Reduce testing time to 5 minutes
b) Raise the minimum acceptable typing and speed-accuracy performance from 29 net words/minute to 35 net words/minute (no change in the gross speed requirement)

II. Dictation Test

a) No change in dictation speed of 80 wpm
b) Retain present number of acceptable errors

III. Clerical Test

a) Provide three reliable part scores for selective certification

1 - Verbal
2 - Clerical
3 - Arithmetic

b) Use same clerical test for stenographers and typists as for clerks, but possibly with a modified cutting score.

IV. Basis for Eligibility, Ranking and Certification

a) Use the typing and stenographic tests on an in/out basis.
b) Base final rank on the combined verbal and clerical test score.
c) Use arithmetic test score only as a selective certification factor.
d) Use Verbal and Clerical scores for selective certification.

Plans for Implementation

Implementation will, of course, necessitate new announcements by January 1, 1964. Contacts with individual schools which are or could be major recruiting sources will be most important. A revised issue of AN 2400R Federal Stenographer and Typist Examination describing the new requirements and containing the specific information needed by teachers in furnishing certificates of proficiency will be made available. These will also facilitate making the contacts with the schools.

1. Publicity

It is considered essential that the widest possible publicity be given to the desire on the part of the Federal Government for higher quality stenographers and typists. The various Commission offices will be making personalized contacts with major sources of eligibles (for example, with schools in which stenographic or typing examinations are given) and agencies which actively recruit stenographers and typists will be expected to make similar contacts in the areas or schools in which they recruit. The purpose of the contacts will be, of course, to explain the purpose of the new standard, the quality goals being sought, and the specific details of the revised standard.

2. New announcements

New examination announcements which incorporate the new standards will be issued by the Bureau of Recruiting and Examining and by CSC Regions on or about January 1, 1964. Boards of Examiners which recruit stenographers and typists will be expected to issue new announcements at the same time. Advice as to the disposition of existing registers will be furnished by the appropriate Commission offices and will involve such considerations as the need for eligibles; the size, currency, and value of the registers; the time of availability and the probable number of eligibles under the new announcement; etc.

3. Noncompetitive standards

The revised qualification standards will be issued in a Handbook X-118 Transmittal Sheet about September 1, 1963, but will not be put into effect until January 1, 1964.

GENERAL ADMINISTRATIVE, CLERICAL, AND OFFICE SERVICES GROUP

PROPOSED QUALIFICATION STANDARD

GS-300

CLERK-TYPIST GS-322-2,3, and 4
CLERK-STENOGRAPHER GS-312-3,4, and 5
CLERK-DICTATING MACHINE TRANSCRIBER GS-316-3,4, and 5

Requirements

Every applicant must:

(a) have had appropriate education or experience; and
(b) pass a written test; and
(c) demonstrate possession of skill in typing.

In addition, applicants for all Clerk-Stenographer positions must also demonstrate possession of skill in taking and transcribing dictation.

The requirements of each type which must be satisfied for eligibility at each grade for each type of position are as follows:

note - academic year for education
calendar year for experience

Education - Experience

For positions of -	The requirement is -
Clerk-Typist GS-2 Clerk-Stenographer GS-3	a. Completion of a 4-year high school course; or b. Six months of appropriate experience.
Clerk-Typist GS-3 Clerk-Dictating Machine Transcriber GS-3 Clerk-Stenographer GS-4	a. Completion of one academic year of substantially full-time study in a resident school above the high school level; or b. One year of appropriate experience.
Clerk-Typist GS-4 Clerk-Dictating Machine Transcriber GS-4 Clerk-Stenographer GS-5	a. Completion of two academic years of substantially full-time study in a resident school above the high school level; or b. Two years of appropriate experience; or c. One year of education as described in "a" above plus one year of appropriate experience.
Clerk-Dictating Machine Transcriber GS-5	a. Completion of four academic years of resident college study; or b. Three years of appropriate experience; or c. Completion of two academic years of substantially full-time study in a resident school above the high school level plus one year of appropriate experience; or d. Completion of one academic year of study as in "c" above plus two years of appropriate experience.

Notes on Above Table

N. B.

"School above the high school level" means a business or commercial school or college, a junior college, or a college or university for which high school graduation or the equivalent is prerequisite.

"Substantially full-time study" in the case of business and commercial schools is the equivalent of at least 20 classroom hours of instruction per week.

"Appropriate experience" is progressively responsible experience which included, as a significant part of the work, the performance of typing, stenography, or dictating machine transcribing duties, whichever is included in the position to be filled. In addition, stenographic experience is also considered to be appropriate experience for both clerk-typist and clerk-dictating machine transcriber positions, and clerk-dictating machine transcribing experience is also considered to be appropriate experience for clerk-typist positions. Clerk-typist experience is considered to be appropriate for up to one year of the total experience required for clerk-dictating machine transcriber positions. Neither clerk-typist nor clerk-dictating machine transcriber experience is considered appropriate experience for clerk-stenographer positions at any grade.

Education above the high school level is not substitutable for experience on a pro-rata basis except in the specific combinations mentioned in the above table.

Quality of experience

For positions of Clerk-Typist GS-4, Clerk-Stenographer GS-5, and Clerk-Dictating Machine Transcriber GS-5, one year of the required experience must have been at a level equivalent to the next lower grade in the Federal service unless the applicant qualifies on the basis of education only.

Written test

All sighted applicants are required to take tests covering verbal abilities, clerical aptitude, and ability to perform arithmetic.

(Note: In noncompetitive actions, the arithmetic test need not be administered in filling positions in which this ability is not required.)

Blind applicants for positions of clerk-dictating machine transcriber are required to take the verbal abilities but not the clerical aptitude or arithmetic portion of the written test. (Blind applicants are those who are totally blind or who have vision so seriously impaired that they cannot read typewritten material at the usual working distance for performing typing duties.)

Proficiency in Typing, Stenography

All applicants are required to demonstrate possession of an adequate degree of proficiency in typing. In addition, applicants for clerk-stenographer positions are required to demonstrate an adequate degree of proficiency in stenography. A higher degree of proficiency in typing or stenography (or both) is required for eligibility at the higher grades.

An adequate degree of proficiency in typing or stenography or both may be demonstrated by either:

a. passing an appropriate performance test in either or both; (as appropriate); or

b. presenting a certificate attesting to the required degree of proficiency of the applicant issued on a form furnished by the U. S. Civil Service Commission by a teacher of typing or stenography in a public or parochial high school or an accredited educational institution, e.g., private high school, business or commercial school, junior college, or college. The certificate must show that the applicant, not more than six months previous to the filing of the certificate, demonstrated the required proficiency to the teacher under whom the applicant was at the time studying typing or stenography.

accredited Schools NOTE

Basis of rating

All competitors must pass the verbal and clerical abilities tests and the performance tests required for the kind of position for which the competitor applies. A teacher's certificate attesting to at least the required proficiency in typing and, if appropriate, stenography may be submitted in lieu of passing the performance test or tests only. Rank on the register will be based on the scores for the verbal and clerical abilities tests. The arithmetic test, and the typing and stenography proficiency tests are not used for ranking purposes.

Higher standards on all the required tests will be applied in determining eligibility for clerk-typist positions, GS-3. The standards applied in determining eligibility for Clerk-Typist GS-3 positions will also be used in determining eligibility for Dictating Machine Transcriber GS-3 positions since they may be filled from the same register. For GS-4 clerk-typist and clerk-dictating machine transcriber positions, higher standards than for GS-3 will be required on the verbal and clerical abilities and typing tests. For GS-5 clerk-dictating machine transcriber positions, a higher standard than for GS-4 will be required on the verbal and clerical abilities tests.

For clerk-stenographer positions, higher standards on all appropriate tests will be required for GS-4 positions. For GS-5 positions, higher standards than the GS-4 standards on the verbal and clerical abilities and typing tests will be required.

Only those persons who receive a suitably high score on the arithmetic test will be considered for appointment to any positions in which arithmetic ability is essential.

Age limits

The minimum age for these positions is 18; however, this age limit is waived for high school graduates, who may be appointed when they reach their 16th birthday provided there is conformance with Federal, State, and local laws relating to minors and with the Fair Labor Standards Act.

The minimum age limit for appointment to overseas positions is 21 years.

The standard minimum age limit may also be waived under some conditions for local eligibles for part-time positions in cooperative work-study programs. In all cases of this kind, local child labor and school attendance laws must be met and, as a condition of employment, appointees must be, and continue to be, enrolled in school. Failure to continue in school is failure to fulfill the conditions of employment and, in such cases, the standard minimum age limit is then applicable. The appropriate office of the Civil Service Commission must be contacted to obtain specific authorization for waivers of this kind.

Noncompetitive standards

The standards for noncompetitive actions are the same as those for competitive purposes except:

1. The tests may be waived for noncompetitive actions, but not for appointments outside the register. Although the written and performance tests are not mandatory in noncompetitive actions, it is highly important that the same degree of typing or stenographic proficiency and the same quality of general ability be demanded for each grade as is required in initial hiring at the same level. The written and performance tests, therefore, may not be waived unless, as demonstrated by on-the-job performance, there is adequate evidence of the employee's ability to perform the duties which will be assigned.

2. Clerk-typist experience may be substituted in full for required clerk-dictating machine transcribing experience at all grades, provided there is other adequate evidence of the employee's ability to perform transcribing duties.

Physical requirements

Applicants must be physically able to perform efficiently the duties of the position. Good distant vision in one eye and ability to read without strain printed material the size of typewritten characters, with or without glasses, are required for most positions; however, some positions involving dictating machine transcribing duties may be suitable for blind applicants who are able to hear the spoken voice. Ability to hear the conversational voice, with or without a hearing aid, is required for most positions; however, some typist positions may be suitable for deaf applicants who have sufficiently good vision. In most instances, an amputation of arm, hand, leg or foot will not disqualify an applicant for appointment although it may be necessary that this condition be compensated by satisfactory prosthesis. Any physical condition which would cause the applicant to be a hazard to himself or to others will disqualify for appointment.

GENERAL ADMINISTRATIVE, CLERICAL, AND OFFICE SERVICES GROUP

PROPOSED EXAMINING GUIDE

GS-300 (p. 1)

(Supersedes X-118 standard and Examining Guide dated November 1961.)

CLERK-TYPIST GS-322-2,3, and 4
CLERK-STENOGRAPHER GS-312-3,4, and 5
CLERK-DICTATING MACHINE TRANSCRIBER GS-316-3,4, and 5

SECTION ONE

(INFORMATION TO ASSIST IN PREPARING ANNOUNCEMENTS)

DESCRIPTION OF WORK

Clerk-typists type from written, printed, or similarly prepared copy that is in rough draft, corrected, or finished form. They usually also perform clerical work in addition to typing duties.

Clerk-stenographers take and transcribe dictation using any system of shorthand notes. They may also take and transcribe non-verbatim summary notes of meetings or conferences. Clerk-stenographers usually also perform clerical work in addition to stenography duties.

Clerk-dictating machine transcribers type directly from material recorded on a disc, tape, cylinder, or similar device as the recorded material is reproduced by means of a transcribing machine. They frequently also perform clerical work in addition to the transcribing duties.

EXPERIENCE, TRAINING, AND RELATED REQUIREMENTS

(See paragraphs in Handbook X-118.)

REGISTERS TO BE ESTABLISHED

To be supplied by the examining office. (See Section Two.)

PHYSICAL REQUIREMENTS

(See paragraph in Handbook X-118.)
PR Codes: A-1,4; B-1,2,3,4,5,6,7,8; C-1,2,3; D-3; E.

TERM OF ELIGIBILITY

A limited period of eligibility may be essential if registers are to be kept fresh and usable. Eligibility periods greater than 1 year should be established only when longer periods are necessary for the Region or Bureau of Recruiting and Examining to adjust to major recruiting drives, to allow for the provisional acceptance or certification of applicants filing in expectation of meeting the examination requirements (e.g., high school seniors), or for similar pertinent reasons. Even in these cases, however, a maximum eligibility period of 15 or 16 months should generally prove to be ample. While it may be feasible in some cases to provide for extensions or renewals of eligibility, doing so may also defeat the very purpose of limiting the term of eligibility. Any tempering of a limitation of term of eligibility should tend to continue the tenure or encourage the reapplication of those categories of eligibles who are of high calibre and most likely to be employed.

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PROPOSED EXAMINING GUIDE

GENERAL ADMINISTRATIVE,
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SECTION TWO

(INFORMATION FOR USE IN EXAMINING APPLICANTS)

(This information is for internal use only and will not appear in published announcements.)

WRITTEN TESTS

Positions	All Positions				Additional test for Clerk-Steno GS-3, 4 and 5
Tests	Verbal	Clerical	Arithmetic	219 Typing	370 Stenography
Time Required (Including samples but not general administrative time)	45 min.	(plus minutes for samples.)			64 min.
Minimum Scores	To be supplied in published Examining Guide				
How Used	Ranking		Qualifying, but only for positions requiring arithmetic	Qualifying Only	
Scoring Instructions	Provided in Appendix A of FPM Supplement 337-75 (Internal) as amended				
Directions for Conducting	To be supplied in published Examining Guide				
Sample Questions	To be supplied in published Examining Guide				

PERMISSIBLE VARIATION IN TEST 370 - TYPED TRANSCRIPT

Regional directors may authorize local boards and agencies that are doing positive recruiting to return to complete typed transcripts and rating procedures given in Appendix A of FPM Supplement 337-75 (Internal) rather than use the Transcript Booklet, provided that: (1) examinations are for only small groups of competitors; (2) the procedure is uniform for all competitors in a given group; and (3) the boards and agencies assume all responsibility for rating the papers in accordance with the directions given in Appendix A of FPM Supplement 337-75 (Internal). Test No. 370 with Transcript Booklet should be retained where its advantages are greatest, that is, in large-scale examinations.

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Offices using this permissible variation in Test No. 370 should revise Form AN 3609R accordingly by crossing off the material relating to the completion type transcripts. They should also make appropriate changes in the "WRITTEN TESTS" portion of the standard when drafting an announcement.

TEACHER CERTIFICATES OF PROFICIENCY

General Notes

The use of teacher certificates of proficiency in typing or stenography offers potential advantages in recruiting in schools and, to a lesser degree, among applicants who have only recently completed their school training. By affording the teachers and schools a positive and effective role in the examining process, the recruiting of high-caliber graduates may often be facilitated. Because performance tests are not required for those applicants who offer certificates, examining costs are to that degree lower and the test administrative time is shorter and more desirable in school testing and recruiting programs.

However, since teacher certificates are impractical for applicants long out of school or where the school or the teacher does not, for any reason, wish to issue certificates, the use of teacher certificates can never completely supplant the use of performance tests. Like many other personnel tools and techniques, teacher certificates are useful in some, but not all situations and should be employed where they will work best so that such benefits as are possible will be gained.

Requirements for Use of Teacher Certificates

Teacher certificates of proficiency in typing or stenography or both may be accepted in lieu of the applicant's taking and passing appropriate performance tests, subject to the following conditions:

1. Timeliness of the certificate

   To be acceptable, certificates must show that the teacher's certification is based upon a test which was administered, not more than six months prior to the date on which the certificate is filed, by a teacher under whom the applicant was at that time studying typing or stenography.

2. Form of the certificate

   The certificate must be submitted on a form supplied by the Civil Service Commission. (This is essential to assure that the information requisite for assessing the applicant's degree of proficiency has been included. It also helps assure the authenticity of the certificates which are filed.)

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(p. 4)

PROPOSED EXAMINING GUIDE

GENERAL ADMINISTRATIVE,
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3. Types of schools from which teachers may submit certificates

Certificates may be accepted from teachers of typing and/or stenography in:

NOTE - ACBS is recognized!!

a. Public and parochial high schools;
b. Properly accredited private high schools;
c. Business and commercial schools accredited by the American Association of Collegiate Schools of Business, the Accrediting Commission for Business Schools, the appropriate State education department, or any other accrediting body which meets the criteria distributed with CSC Operations Letter No. 337-56;
d. Junior colleges and colleges which are accredited or whose work is accepted for advance credit by the State University of the State in which located.

4. Safeguarding authenticity of certificates

It is essential for continued public confidence in our total examining program to prevent fraudulent certificates from being filed. However, it does not appear that the precautions need be so complete or demanding that the certificate program becomes inoperative as a result of them. The problem of authenticity is believed to be neither different from, nor greater than, the problem of authenticity of school diplomas or other school documents. There are two ultimate safeguards which function for each and every applicant regardless of what else may be done. First, the certificate is to be considered a part of the application and is therefore subject to the usual penalties for false or fraudulent applications. Second, the probational period should be used in the most effective possible way to eliminate incompetent appointees. (Filers of fraudulent certificates would usually possess a dubious degree of ability.) Additional procedures should seldom be required.

5. Nature of Tests which teachers may use

One of the principal purposes of using teacher certificates is to ease the testing burden for all parties concerned. A major hope in using teacher certificates is that the teachers will issue certificates only when, on the basis of the teacher's total experience with and knowledge of the student, they are convinced the student possesses the competence to be a successful typist or stenographer. However, for competitive evaluation purposes, it is necessary to ask the teachers to provide specific performance results of the student on a specific test.

The certificate form provides that the teacher, for this purpose, may use any test (typing or stenography) which is of the type and quality she would use for formal grading purposes in her classes, provided that the typing test is at least 5 minutes long and the stenographic test is dictated at a minimum of 80 words per minute for at least 3 minutes. The teacher may, therefore, base her certificates on tests given

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during, and as a normal part of, her regular classroom activities. Special tests, special test times, special opportunities to be tested or retested, etc., if used at all, will be employed only because the teacher herself desires and provides them--not because of a requirement of the Civil Service Commission. As a convenience to teachers, however, we plan to make test material available for distribution as desired by appropriate Civil Service Commission offices.

6. Retesting not permitted

Verification or testing by appointing officers of applicants who qualify on the basis of certificates for the purpose of removing eligibles from the register will not be permitted.

EXAMINING BLIND APPLICANTS

(This portion of the Examining Guide will differ only in minor technical details from the same section of the current Examining Guide.)

SECTION THREE

(MISCELLANEOUS PROVISIONS)

COVERAGE OF ANNOUNCEMENTS

Examining offices should, of course, announce and recruit only for those positions and grade levels for which requests for certificates are anticipated. In many agencies and installations positions of Clerk-Typist GS-4, Clerk-Stenographer GS-5, and Clerk-Dictating Machine Transcriber GS-5 are quite rare and, when they do exist, are more likely to be filled by promotion than by competitive recruiting and therefore might well be omitted from announcements.

IMPLEMENTING A QUALITY PLACEMENT PROGRAM

Some positions include duties which require a higher than minimum level in one or more of the abilities measured in this test battery. For example, there may be need for a clerk-typist who excels in arithmetic, or in proofreading, or in typing.

It is always desirable to match the skills of particular eligibles as closely as possible to the requirements of specific positions. When there is a sufficient surplus of eligibles so that only the highly qualified are appointed, the high level of ability of most appointees may fit almost any of them for almost any position for which they have basic eligibility. When, however, eligibles are in short supply and a substantial proportion of these possess only minimal abilities, the need for careful placement becomes acute. Although it may be necessary to appoint every eligible, careful matching of the abilities of each appointee to the position to be filled is essential. Only through careful placement is it possible

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to utilize effectively those skills which the minimally qualified applicants possess and to provide them a reasonable opportunity to perform satisfactorily.

To permit the most effective placement program wherever such a quality program is feasible, the test battery has been designed to permit easy extraction of part scores which are indicative of certain basic aptitudes essential in varying degrees in the positions tc be filled from these registers. Part scores are thus obtainable for (a) typing, (b) stenography, (c) verbal abilities, (d) clerical aptitudes (required for coding, alphabetizing, proofreading, filing, and related tasks), and (e) arithmetic.

A simple procedure and multipurpose form is in use in rating by which part scores can be furnished routinely to the appointing officer for his use in matching his appointees to specific vacancies. The appointing officer's copy of the rating form also contains printed information necessary for his interpretation of the test scores. This provides the appointing officer with useful information for selective placement of these eligibles.

The part scores may also be used to establish a selective certification program based on any or all of the five basic aptitudes or skills measured by the test battery. Certification is possible on the basis of scores on the several tests or parts thereof. The use of category ratings rather than test scores may simplify the certification procedure itself without sacrifice of reasonable accuracy. For example, certification could be made in regular register order, but listing on the certificate only those eligibles whose scores on the pertinent sub-tests are above an established point which reflects above-average ability. Since selective certification involves additional workload and other problems in the examining offices, the approval of the appropriate Regional Director or the Director of the Bureau of Recruiting and Examining is required before such a plan may be adopted.

MODIFICATION OF STANDARDS

These standards are believed to be the minimum standards which will permit applicants to perform the work appropriate for each grade level or to enter into training to perform such work. Persons with lesser qualifications would not generally be able to perform adequately, especially in the higher graded positions.

Therefore, these standards may not be modified without prior approval of the Standards Division of the Bureau of Programs and Standards.

MEETING SHORTAGES

Should a need arise to recruit trainees for any positions covered by this standard, the Standards Division, Bureau of Programs and Standards will supply modifications of this standard which can be used. Requests for such modifications should include information as to the applicant population in which recruiting is likely so that modifications can be tailored to the situation in the most productive way consistent with assuring the requisite quality of the resultant eligibles.

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There are several possible actions which can be taken in the face of shortages. Among these are:

1. Trainee positions may be established to which may be appointed applicants who have less than the minimum qualifications required under this Examining Guide. Appropriate training agreements should be negotiated which will insure the provision of the type of developmental training and experience which will bring the trainees at least to the minimum levels required by this Examining Guide.

2. Work-study programs may be undertaken of the types described and provided for in PES 1986 Clerk (Stenographer Trainee) GS-2 and PES 2135 Clerk (Trainee) GS-1. (The latter is further discussed in Commission Letter No. 58-36.)

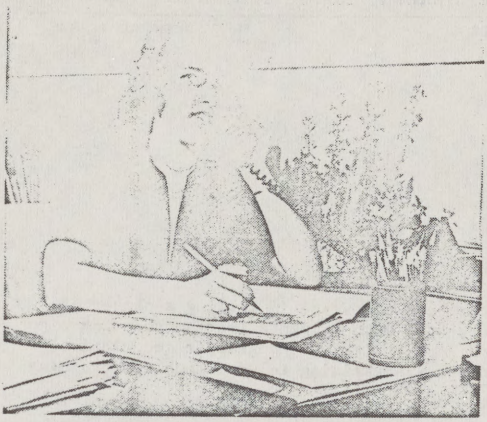
3. When the shortage results from inadequate salaries offered by Federal agencies in contrast to those offered by competitors, the possibility of authority to pay higher entrance rates under Sec. 504 of the Federal Pay Reform Act of 1962 should be explored. (See Chapter R2 of the FPM.)

4. When the shortage of eligibles exists only at grades above the entrance grades, the agencies should undertake to restructure their positions so that the duties can be performed by the lower graded eligibles available. This may, in some instances, require the establishment of suitable trainee or developmental positions from which subsequent promotion is practical. Rather than issuing temporary recruiting authorities when there are eligibles available at a lower grade, every effort should be made by CSC examining offices to persuade agencies to follow this course of action.

USE OF REGISTERS

NOTE: Postmasters may request Regional Directors to certify eligibles to them from the stenographer or typist registers for assignment such as Clerk (qualified as stenographer or typist). Requests to the Regional Director for such certification must include a statement that: (1) the position or positions of Clerk (qualified as stenographer) or Clerk (qualified as typist), as the case may be, have been authorized by the Post Office Department; (2) he has determined that there are no classified substitutes already on the rolls of the Post Office Department who are qualified to perform the required stenographer or typist duties; and (3) there are no eligibles among the highest three on the Post Office Clerk register for the Post Office who have the necessary qualifications to perform the stenographer-typist duties. Certification follows the same zone of certification that is used for substitute clerk positions. (See Chapter B2-7, FPM Supplement 332-71 (Internal).)

Exhibit E–1



BUSINESS— COLLEGE— GRADUATES

The National Institutes of Health Is Seeking Qualified Typists and Stenographers

Those selected will work with scientists and clinicians in various fields of medical research or with those responsible for the administration of the medical research Institutes.

THE NATIONAL INSTITUTES OF HEALTH is one of the world's largest centers for the conquest of disease and the improvement of human health. It is the principal research bureau of the Public Health Service, a component of the U.S. Department of Health, Education, and Welfare.

As a leading Federal agency, engaged in medical research, NIH

- supports medical research, research training, and construction of research facilities in the Nation's medical and dental schools, universities, and other research centers.
- conducts laboratory and clinical research in its own facilities at Bethesda, Md., and in the field.

NIH OFFERS

Stimulating work in a professional atmosphere

Opportunity for advancement with security afforded by an expanding Federal establishment

Liberal Medical Care and Employee Compensation Benefits

Government Life Insurance

Excellent working conditions

Beautiful 305-acre campus in a residential area just outside of Washington, D.C.

Proximity to many fine universities and cultural activities

Excellent Retirement Plan

Paid vacations – Paid sick leave

See your School Counselor or write to the Employment Officer, National Institutes of Health, Bethesda 14, Maryland, for further information about these positions.

EXHIBIT E-2

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
PUBLIC HEALTH SERVICE • BETHESDA 14, MD.

NATIONAL INSTITUTES OF HEALTH
Tel: 656-4000

Dear Sir:

The National Institutes of Health has been fortunate in filling a number of stenographic and typist vacancies recently with students from surrounding high schools. However, we are interested in recruiting stenographic and clerical help from accredited business colleges, specializing in education and training beyond the high school level.

The problem of recruiting high quality secretaries, stenographers, and typists has been of concern in the Federal Service for some time and NIH is no exception. We believe, however, that with the increased qualifications standards being put into effect on or about January 1, 1964, we should be able to attract more of the business college graduates. We will appreciate your comments as to what success you believe we might have. If there seems to be enough interest, we may be able to send a representative to your college.

NIH, a Bureau of the Public Health Service, supports medical research, research training and construction of research facilities in the Nation's medical and dental schools, universities and other research centers. It also conducts laboratory and clinical research in its own facilities at Bethesda, Maryland, and in the field. We enclose our Brochure which gives a brief review of some of our activities and a recent issue of the Mongtomery County Sentinel which may be of interest.

We are located in Bethesda, Maryland, a residential area seven miles north of Washington, D. C. NIH affords pleasant working conditions with numerous employee benefits. We are close to many fine universities and cultural activities. Starting salaries now range from $3560 to $4110 per year and will be increased from $3620 to $4215 per year on or about January 1, 1964.

We enclose announcements under which stenographers and typists must qualify for Federal employment, applications, posters, and other informational material.

We will welcome advice from you as to whether or not you have students interested in a career in Government. In addition, we will appreciate your advising those interested to contact us. The Employment Office is located in Building 1, Room 11.

Sincerely yours,

Catherine P. Dougherty
Placement Specialist

EXHIBIT E-3

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

PUBLIC HEALTH SERVICE • BETHESDA 14, MD.

NATIONAL INSTITUTES OF HEALTH
Tel: 656-4000

August 29, 1963

Mr. R. A. Fulton
Executive Director & General Counsel
United Business Schools Association
1518 K Street, N. W.
Washington 5, D. C.

Dear Mr. Fulton:

I attach a copy of the letter and material that went out to each of the Colleges in the UBSA mailing list this month.

Some have already replied. Their answers have been both informative and helpful.

The article about which we spoke previously is in the process of being cleared and should be in your hands within the next few days.

Sincerely yours,

Catherine P. Dougherty

Catherine P. Dougherty
Placement Specialist

EXHIBIT F

VETERANS ADMINISTRATION
ASSISTANT ADMINISTRATOR FOR PERSONNEL
WASHINGTON 25, D.C.

APR 18 1963

YOUR FILE REFERENCE:

IN REPLY REFER TO: 054C

Mr. R. A. Fulton
Executive Director & General Counsel
United Business Schools Association
1518 "K" Street, N. W.
Washington 5, D. C.

Dear Mr. Fulton:

I am expressing our appreciation for your furnishing us with copies of the business school directories earlier this year. Mr. Harvey, of our staff, with whom you were in communication has informed me of your generous cooperation.

Enclosed is a copy of our Personnel Circular Letter to our field stations relating to the distribution and use of the directories. When the next edition of these are published we would appreciate your sending us one or two copies. Thanks again.

Sincerely,

Ralph F. Webster
RALPH F. WEBSTER
Director, Placement
and Relations Service

Enclosure

Show veteran's full name and VA file number on all correspondence. If VA number is unknown, show service number.

VETERANS ADMINISTRATION
ASSISTANT ADMINISTRATOR FOR PERSONNEL
WASHINGTON 25, D.C.
April 4, 1963

YOUR FILE REFERENCE:

IN REPLY REFER TO: 054C

PERSONNEL CIRCULAR LETTER NO. 05-63-6

Recruitment of Clerk-Stenographers, Clerk-Typists and Secretaries

1. The problem of recruiting high quality stenographers and secretaries has been of concern in the Federal Service for some time. The Salary Reform Act of 1962, has placed the Government in a more favorable competitive position with respect to entrance salary rates for these positions. Through the years, however, the qualification standards have been lowered to allow recruitment at the previously existing relatively low competitive rates.

2. The Civil Service Commission has informally notified us that the clerk-stenographer and clerk-typist qualification standards will be "updated" effective on or about January 1, 1964. This will correspond to the next scheduled general salary increase. We understand that the changes in the standards will result in higher requirements in both the clerical aptitudes and stenographic skills. High school graduates with no additional experience will no longer be able to qualify at the GS-4 entrance level. This may mean that other sources of competent stenographic and secretarial candidates will necessarily become the object of positive recruiting. The standards will continue to permit the candidate with one year of high school post-graduate business school training to qualify for GS-4. Similarly these candidates will qualify for Clerk-Typist GS-3.

3. For your planning purposes in connection with the above, we are, within the next few days, forwarding copies of two Directories through regular mail channels:

a. "Official Directory of Accredited Institutions and Operating Criteria," The Accrediting Commission for Business Schools, 1962-63.

b. "U.B.S.A. Directory of Business Schools," 1962-63, United Business Schools Association.

The latter is self-explanatory and may be used to locate business schools in a recruiting area. The first contains accredited schools only, which will be authorized to conduct performance tests (stenography and typing) and to issue certificates of performance competency for these skills, however, training in either category of school will be acceptable as a substitute for experience. Junior colleges constitute another source of candidates; most of these are accredited and will be authorized to issue performance certificates. Directories for these institutions are not currently available, however, the following publication may be available in your local libraries:

"American Junior Colleges," Fifth Edition - 1960, edited by Edmund J. Gleazer, Jr., The American Council on Education.

Show veteran's full name and VA file number on all correspondence. If VA number is unknown, show service number.

This directory includes the curricula offered, "business" usually denoting stenographic and secretarial training. Other sources of directory information for these junior colleges are the state and local public school authorities.

4. An invitation is made to all Personnel Officers to advise the Director, Central Office Personnel Service, if there appear to be surplus candidates from the above or other sources in the area. The Central Office Personnel Service may then reply to such notification, depending upon the circumstances, by requesting that local recruitment be undertaken, by sending a representative or other appropriate response.

5. Stations are also encouraged to assist each other in this and other recruitment activity by making known surpluses or shortages of candidates through department channels.

6. RESCISSION DATE: January 31, 1964,

Willis O. Underwood
WILLIS O. UNDERWOOD
Assistant Administrator
for Personnel

APPROVED:

A H Monk
A. H. MONK
Associate Deputy Administrator

Distribution: "S" (05)-2, (055)-5, (054C)-5, (135)-5, (25)-5
2 (Each field station)

EXHIBIT G-1

U. S. CIVIL SERVICE COMMISSION
Denver Region (Ariz., Colo., N. M., Utah, Wyo.)
Bldg. 41, Denver Federal Center
Denver 25, Colorado

FROM THE DESK OF:

federal RECRUITING notes

The Recruiting Officer

NO. 13 DATE January 10, 1964

I am enclosing copies of the new Civil Service announcement for Typists and Stenographers. There are several things which should be pointed out in this announcement:

1. The salaries are higher.

2. Higher qualifications (schooling and/or experience) are necessary for the GS-3 typist and the GS-4 stenographer positions. This should be of particular importance to business and junior colleges since their graduates should qualify for these higher grades.

3. Teachers can issue proficiency certificates for both typing and dictation. This means that the examination process by a federal examiner is considerably shortened.

4. Opportunities for employment occur primarily in the Rocky Mountain area but some positions are available in the Washington, D.C. Metropolitan area. Agencies have been given authority to pay travel expenses to Washington, D.C. for typists and stenographers. More details on Washington, D.C. employment can be obtained by writing to:

   Information and Examining Office
   U.S. Civil Service Commission
   1900 E Street, N.W.
   Washington, D.C. 20415

If you desire more copies of the announcement for Typists and Stenographers, please send a request on the enclosed order blank.

Sincerely yours,

Elbert F. Floyd

Elbert F. Floyd
Recruiting Officer

Enclosures:
S&T Announcement
Order Blank

Student Inquiries are Invited re: Career Opportunities for any Academic Major –

CAREER GUIDANCE TO-DAY
For Public Service Competence Tomorrow

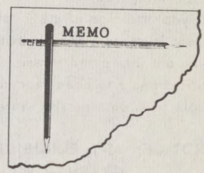
ADDRESS ATTN., Recruiting Officer

EXHIBIT G-2

UNITED STATES CIVIL SERVICE COMMISSION
DENVER REGION
Building 41, Denver Federal Center
Denver, Colorado 80225

Announcement No. DE - 1(1964)
Issued: January 6, 1964
Open Until Further Notice

FEDERAL GOVERNMENT OPPORTUNITIES FOR



TYPISTS

GS-2 and GS-3

$3620 to $3880

AND

STENOGRAPHERS

GS-3 and GS-4

$3880 to $4215

IN

ARIZONA, COLORADO, NEW MEXICO, UTAH, WYOMING and WASHINGTON, D. C.

ALL QUALIFIED APPLICANTS WILL RECEIVE CONSIDERATION FOR EMPLOYMENT WITHOUT REGARD TO RACE, CREED, COLOR, NATIONAL ORIGIN OR SEX.

For Information about Citizenship, Kinds of Appointments, Physical Abilities Required, Veteran Preference, and Other General Information, See Civil Service Commission Pamphlet No. 4, "Working For The U. S. A." which you can get at most places where applications are available.

How to Apply

Send the application card form 5000AB to **only one** of the offices listed below under "**Offices Accepting Applications and Maintaining Eligibility Lists.**" This card should be sent to the office serving the area in which you reside. Be sure to show on the card the number of this announcement (DE–1(1964), the position or positions you are applying for and where you wish to take the examination. (See "**Places of Examination**" on last page.) Other forms for you to fill out will be sent to you when you are notified when and where to report for the test. You may find upon applying that the examination is not currently "open" in your area. To avoid this you may wish to check on the current status of the examination or find where other examinations are open in your state or in other areas by contacting your nearest Civil Service Examination Point (any larger Post Office can tell you where such points are in your area); or by contacting the nearest Board of U. S. Civil Service Examiners (listed below under "**Offices Accepting Applications**"), or from the Director, Denver Civil Service Region, Building 41, Denver Federal Center, Denver, Colorado 80225.

If you attain an eligible rating under this announcement, you may establish additional eligibility for employment in other areas by sending a **Form 57** and your **Notice of Rating** to any of the offices specified below if you are interested in employment in the geographic area served by that office. However, where receipt of applications has been closed because the supply of eligibles is adequate, applications received from individuals from outside the state may be returned.

NOTICE: ANY ELIGIBILITIES ESTABLISHED PRIOR TO JANUARY 1, 1964 FOR TYPIST OR STENOGRAPHER WILL NOT BE TRANSFERRABLE TO THIS EXAMINATION. YOU MUST REAPPLY FOR CONSIDERATION UNDER THIS EXAMINATION.

Where to Get Forms or Information

Any of the following will be able to furnish you the necessary forms or give you general information about this examination. (1) Your nearest Commission examining point – your local Post Office can tell you where this is; (2) many college or business school placement offices; (3) any of the Boards of U. S. Civil Service Examiners listed below; (4) the Director, Denver Region, U. S. Civil Service Commission, Denver Federal Center, Denver, Colorado 80225.

Special Note

Stenographers and Typists are urgently needed in Washington, D. C. If you are interested in employment there in these positions you should send your application card (5000AB) to the office covering your area of of residence. **(See "Offices Accepting Applications and Maintaining Eligibility Lists for Areas Indicated.")** Those who make eligible ratings may then send their notice and a completed "Application for Federal Employment" (Form 57) to the Civil Service Commission, Washington, D. C. 20415 for consideration for employment in the Washington area.

How to Qualify as a Typist

FOR GRADE GS-2: You must pass an examination which will include a test covering verbal abilities, a clerical aptitude test (including arithmetic computations), and a typing test consisting of typing an exercise from plain copy. In addition you must have completed or expect to complete within 9 months a 4 year high school course or have 6 months of "appropriate" experience. (See below for description of appropriate experience.)

FOR GRADE GS-3: You must make a higher score in each of the tests described for GS-2 (above) and, in addition, have had one academic year of substantially full-time study in a resident school above the high school level or have one year of "appropriate" experience. (See below under "Substituting Education" for the type of education that will meet the above requirement.)

How to Qualify as a Stenographer

FOR GRADE GS-3: You must meet the same requirements and take the same tests as for a GS-2 Typist, shown above, plus passing a stenography test. This test consists of dictation at the rate of 80 words per minute and questions to be answered from the dictation notes. You will not make any typewritten transcription of your notes. Any system of shorthand notes is acceptable provided that the notes are given to the examiner after they have been used to answer the dictation questions. The use of typewriters for making notes is not permitted as the noise of the machines would interfere with the dictation.

FOR GRADE GS-4: You must make a higher score in each of the tests described for the GS-2 Typist shown above and, in addition, have one year of "appropriate" experience as described below. Education may be substituted for this year of experience. (See below for information under **"Substituting Education."**)

Appropriate Experience: Is experience which included as a significant part of the work, typing, stenography or machine transcription, depending on the position you applied for. Stenography experience is considered appropriate for both typing and stenography eligibilities and machine transcription is acceptable for typing eligibility. However, typing experience is not acceptable for meeting the experience requirements for stenography eligibility.

Substituting Education: Education is considered qualifying in meeting the one-year GS-3 Typist or GS-4 Stenographer experience requirement if it was received at a school where high school graduation was required for entrance and in which you successfully completed study that was **not** primarily limited to courses in typing and/or stenography. To be qualifying this study must have included at least 20 classroom hours of instruction per week. One academic year consists of 36 weeks of this study or 30 semester hours, or the equivalent. Your high school education can be used only for the 6 month experience requirement for GS-2 Typist and GS-3 Stenographer eligibility.

General Information

The Written Test: See the "How to Qualify" section for description of the tests. The test takes approximately 3 hours with the stenography portion or 2 hours when the stenography test is not taken. Sample test questions will be furnished you after you apply.

Availability of Typewriters: You will generally have to furnish your own typewriter. The card you receive telling you when and where to report for the test will tell you if typewriters are available. You may use your own even if they are available. If you wish to use an electric typewriter you should contact the Examiner in Charge of the office where the test will be given to find out if there are electrical outlets in the examination room.

Special Provision for Blind Applicants: Applicants for position of dictating machine transcriber who are blind will be required to take the test on verbal abilities and the typing test but not the clerical aptitude portion of of the test. At the time of filing application they should indicate that they are blind and request a reader to read the questions and record their answers in the verbal abilities test. They will not be permitted to provide their own readers. Such applicants will be provided with a dictating machine recording in lieu of plain copy for the typing test. They must furnish their own transcribing machines for use in the examination room. On their application or in a letter accompanying it, they must state the model of the transcribing machine they intend to use so that the proper kinds of belts, tapes, or discs may be provided.

Reapplying for the Examination: As long as the examination is open, if you make an ineligible rating, you may retake the test twice without time limit; thereafter, you may not take the test more often than once every 90 days. If you are rated **eligible** you may not recompete to improve your score.

Term of Eligibility: Your eligibility from this examination is limited to 12 months. At the end of that time you will have to recompete in the examination if you wish further eligibility. The examination must be open at the time you apply or your application will not be accepted.

Basis of Rating: Your eligible rating will be a combination of the scores you received on the tests. You must pass the verbal and clerical abilities tests and the performance test for the position(s) for which you apply. There is no passing or failing score for the arithmetic test although a low score on this test may eliminate you from consideration for positions requiring arithmetic ability.

Certification in Lieu of the Performance Tests: You may present a certificate attesting to the degree of proficiency you have in typing and/or stenography instead of taking the performance tests. A form is available at most places where application cards may be obtained which can be used by a teacher of typing or stenography in a public or parochial school (or any accredited educational institution) to certify to your abilities. This certificate is good only for use within 6 months after it is issued and expires after that time. This certificate does not relieve you of passing the verbal abilities and clerical tests.

Age Limits: The minimum age limit for these positions is 18, however, the age limit is waived for high school graduates. Applications may be accepted from high school students who expect to graduate within 9 months, but they cannot be considered for appointments until all requirements of eligibility are met.

Offices Accepting Applications and Maintaining Eligibility Lists for the Areas Indicated

ARIZONA: Executive Secretaries, Boards of U. S. Civil Service Examiners or the Commission Office as follows:

Director, Denver Region, U. S. Civil Service Commission, Denver Federal Center, Denver, Colorado 80225: The Phoenix Metropolitan Area and the counties of Maricopa, Gila, Greenlee, Graham and Pinal.

Davis-Monthan Air Force Base, Tucson, Arizona 85707: The Tucson metropolitan area and the county of Pima.

Navajo Army Depot, Flagstaff, Arizona 86003: Counties of Mohave, Yvapai and Coconino including Page and Glen Canyon Dam but excluding the Navajo Indian Reservation.

Bureau of Indian Affairs, Gallup, New Mexico 87301: The Navajo Indian Reservation (including the Hopi Indian Reservation) and the Arizona counties of Navajo and Apache.

Fort Huachuca, Arizona 85613: U. S. Army Electronic Proving Ground and the counties of Cochise and and Santa Cruz.

Yuma Test Station, Yuma, Arizona 85364: The county of Yuma, Arizona (Note: Residents of the State of California counties of San Diego, Imperial, Riverside and San Bernardino applying for appointment at Yuma Test Station and other agencies in Yuma County, Arizona, should file with this Board.)

COLORADO: Executive Secretaries, Boards of U. S. Civil Service Examiners as follows:

Director, Denver U. S. Civil Service Region, Building 41, Denver Federal Center, Denver, Colorado 80225: Denver and Boulder metropolitan areas and the counties of Adams, Arapahoe, Boulder, Clear Creek, Denver, Douglas, Gilpin, Grand, Jackson, Jefferson, Larimer, Logan, Morgan, Phillips, Sedgwick, Summit, Washington, Weld and Yuma.

Executive Secretary, Board of U. S. Civil Service Examiners, Ent Air Force Base, Colorado Springs, Colorado 80912: Colorado Springs and Pueblo metropolitan areas and the counties of Alamosa, Baca, Bent, Chaffee, Cheyenne, Conejos, Costilla, Crowley, Custer, Elbert, El Paso, Fremont, Huerfano, Kiowa, Kit Carson, Lake, Las Animas, Lincoln, Otero, Park, Prowers, Pueblo, Rio Grande, Saguache and Teller.

Executive Secretary, Board of U. S. Civil Service Examiners, Veterans Administration Hospital, Grand Junction, Colorado 81502: Grand Junction metropolitan area and the counties of Archuleta, Delta, Dolores, Eagle, Garfield, Gunnison, Hinsdale, La Plata, Mesa, Mineral, Moffat, Montezuma, Montrose, Ouray, Pitkin, Rio Blanco, Routt, San Juan and San Miguel.

NEW MEXICO: Executive Secretaries, Boards of U. S. Civil Service Examiners as follows:

Departments of Army and Air Force, Room 108. U. S. Courthouse Building, Albuquerque, New Mexico 87101: Albuquerque Metropolitan area and the counties of Bernalillo, Socorro and Torrance.

National Park Service, Santa Fe, New Mexico 87501: Santa Fe and vicinity including the counties of Colfax, Los Alamos, Mora, San Miguel, Santa Fe and Taos.

Bureau of Indian Affairs, Gallup, New Mexico 87301: Gallup and vicinity including the counties of McKinley, Rio Arriba, Sandoval, San Juan and Valencia.

White Sands Missile Range, New Mexico 88002: Counties of Dona Ana and Sierra.

Air Force Missile Development Center, Holloman Air Force Base, New Mexico 88330: Counties of Lincoln and Otero.

Cannon Air Force Base, Clovis, New Mexico 88101: Counties of Curry, DeBaca, Guadalupe, Haring, Quay, Roosevelt and Union.

Veterans Administration, Fort Bayard, New Mexico 88036: Counties of Catron, Grant, Hidalgo and Luna.

Walker Air Force Base, Roswell, New Mexico 88202: Counties of Chavez, Eddy and Lea.

UTAH: Executive Secretaries, Boards of U. S. Civil Service Examiners as follows:

Departments of Air Force, Army and Navy, Ogden, Utah: Salt Lake City and Ogden metropolitan areas and anywhere in the State of Utah, except Tooele County.

Tooele Army Depot, Tooele, Utah: County of Tooele.

WYOMING: Executive Secretaries, Boards of U. S. Civil Service Examiners or the Commission Office as follows:

Warren Air Force Base, Wyoming 82003: Cheyenne, Wyoming and immediate vicinity.

National Park Service, Yellowstone Park, Wyoming 83020: Yellowstone National Park and immediate vicinity.

Director, Denver Region, U. S. Civil Service Commission, Building 41, Denver Federal Center, Denver, Colorado 80225: Other areas in Wyoming not covered by the two Boards of Examiners above.

Places of Examination

The examination will be given at the places indicated below. You should indicate on the application Card Form 5000-AB the name of the city in which you desire to be examined. You will be notified of the exact time and place.

ARIZONA:

Casa Grande, Coolidge, Douglas, Flagstaff, Ft. Huachuca, Globe, Kingman, Nogales, Phoenix, Prescott, Safford, Show Low, Tucson, Winslow, Yuma.

COLORADO:

Alamosa, Boulder, Burlington, Canon City, Colorado Springs, Cortez, Craig, Denver, Durango, Ft. Collins, Ft. Morgan, Glenwood Springs, Grand Junction, Greeley, Gunnison, Holyoke, Kremmling, La Junta, Lamar, Leadville, Limon, Meeker, Montrose, Pagosa Springs, Pueblo, Salida, Springfield, Sterling, Steamboat Springs, Trinidad, Walsenburg, Yuma.

NEW MEXICO:

Alamogordo, Albuquerque, Carlsbad, Clayton, Clovis, Deming, Farmington, Gallup, Grants, Hobbs, Las Cruces, Las Vegas, Portales, Raton, Roswell, Santa Fe, Santa Rosa, Silver City, Socorro, Taos, Truth or Consequences, Tucumcari, White Sands Missile Range.

UTAH:

Beaver, Cedar City, Delta, Dugway, Logan, Manti, Moab, Ogden, Panguitch, Price, Provo, Richfield, Salt Lake City, St. George, Tooele, Vernal.

WYOMING:

Afton, Casper, Cheyenne, Cody, Douglas, Evanston, Gillette, Jackson, Kemmerer, Lander, Laramie, New Castle, Rawlings, Rock Springs, Sheridan, Torrington, Wheatland, Worland, Yellowstone Park.

The list of eligibles resulting from this examination will supersede all lists established under announcement 10-1 (1962) and supplements.

Exhibit H–1

NEW YORK HIGHER EDUCATION ASSISTANCE CORPORATION
111 WASHINGTON AVENUE • ALBANY, NEW YORK 12224

STUDENT LOANS

for Residents of New York State

The guaranty loan plan of ***New York Higher Education Assistance Corporation*** *to provide:*

1. A low cost, long term, delayed repayment loan to qualified students.
2. The opportunity for a higher education and better vocation opportunities for capable students.
3. Thousands more professionally trained people so critically needed by our country today and tomorrow.

Today's most critical need:
superior, trained minds

Never before have we so desperately needed highly educated people to cope with a world in which bewildering changes and advances are commonplace. In fact, the need for these people has become a matter of our very survival — not only in national defense, but in feeding, governing, managing and bettering the lot of a soaring population in the face of rapidly shrinking natural resources. Everybody has a stake in this problem.

Fortunately, we have one limitless natural resource which can be harnessed to solve any problem. That's the human mind, and we aren't beginning to realize its possibilities! Here's why:

NEARLY HALF OF OUR MOST PROMISING STUDENTS ARE NOT GOING BEYOND HIGH SCHOOL!
Out of 166,000 high school graduates for a recent year —

— 3,850 from the TOP 10% IN ABILITY did not go beyond high school

—13,000 from the TOP 25% did not go beyond high school

—26,000 from the TOP 40% did not go beyond high school

New York State's bold answer to the problem

A self-help student loan program big enough — and liberal enough — to offer real help to residents of New York State.

Under this program, thousands of New York State students with the ability and desire to profit by higher education, who lack the funds to enter into or continue in a program of higher education, are able to borrow these funds from a participating New York State Lending Institution to attend any post-secondary institution of higher learning in the State of New York or elsewhere, recognized and approved as such by the Regents of the University of the State of New York, which provides a course of study leading to a degree or a diploma, that they may choose, and repay the loan on liberal terms. These institutions are:

Accredited colleges which grant degrees; Business schools, Nursing schools, and Trade schools which restrict admission to high school graduates and which have the following approval:

Schools located in New York State

Approved by the Education Department of the State of New York and NYHEAC.

Schools located outside of New York State

Hospital schools of nursing — Approved by the National League for Nursing. Business schools — Approved by the Accrediting Commission for Business Schools. Technical institutes accredited by the Engineering Council for Professional Development. These schools are also subject to NYHEAC approval.

There are no restrictions on the program of study, except that it lead to a degree or diploma. (Students who wish to attend a foreign university should write to the Corporation for special information.) Furthermore there are no restrictions on pre-college preparation except that the student be graduated from a secondary school and be accepted for admission in or enrolled in an approved institution of higher learning of his choice. This includes graduates of public, private and denominational secondary schools; present college students or those who have successfully completed High School Equivalency Examinations. Here is opportunity unlimited for the ambitious student to develop his best talent in the approved institution of higher learning and program he judges best — and to pay later, out of earnings in his chosen field.

Who May Borrow?

Full time students at accredited colleges which grant degrees.—Full time is as defined by the college. (Typically in an undergraduate program, for example, a full time student is one carrying at least twelve credits per semester.)

Part time students at accredited colleges which grant degrees.—A part time student is defined as a student who is carrying less than the number of credits to qualify as a full time student but at least six credits per semester or quarter.

Full time students at other post-secondary schools as these schools are defined above. — A full time student is defined as a student who is recognized as a full time student by the school he is attending.

About New York Higher Education Assistance Corporation—This independent, non-profit organization was created by the New York State Legislature in 1957 to operate the loan plan. Though created by the State, it is administered by leading citizens and operated like any business under a dynamic program.

How the loans are financed—Loans are made by Lending Institutions of New York State which have signed a contract with and have the guarantee of the New York Higher Education Assistance Corporation.

No interest while in college — Low interest after graduation — Delayed repayment—Under the Plan the qualified student borrows from the Lending Institution on promissory notes as needed for each school year. The student pays no interest while in school (this is assumed on student's behalf by NYHEAC). After graduation or termination of study, student pays only 3% interest (additional interest is assumed on student's behalf by NYHEAC). While the student *may* repay the loan at any time, *arrangements* for monthly repayment of capital *must* be made within 60 days after graduation or the termination of study. Payments may be spread over a period as long as six years.

To qualify for a loan, a student must:

1. Be a legal resident of New York State
2. Be already in attendance or accepted for admittance as a full time student (or as a part time student in a college which grants degrees) in the next regular term of an Institution of Higher Learning as defined above
3. Furnish proof of financial need
4. Furnish proof of scholastic ability

How students may apply for loans

1. The student obtains a loan application form at the Admissions Office of the School selected (if school is located in NEW YORK STATE), the New York State Lending Institution of his choice (which is participating in the PLAN) or by writing requesting a loan application to: NEW YORK HIGHER EDUCATION ASSISTANCE CORPORATION, 111 WASHINGTON AVENUE, ALBANY, NEW YORK 12224.
2. After filling out section "TO BE COMPLETED BY APPLICANT" the student submits the application to his parents or guardian for them to fill out and sign the block "INFORMATION REGARDING APPLICANT'S FAMILY".
3. The student next submits the application to the appropriate school official for certification of admission or continued enrollment and certification of student's need.
4. The student then takes the application form to the Lending Institution of his choice (which is participating in the PLAN) to apply for the loan, and signs the "CERTIFICATION BY APPLICANT" in the presence of an official of the Lending Institution.
5. The Lending Institution reviews the application and forwards it together with a loan recommendation and other documents (including Form HE 900 properly executed) to the New York Higher Education Assistance Corporation.
6. The Higher Education Assistance Corporation then notifies the Lending Institution, the School and the student of its decision to guarantee or refuse to guarantee the loan.
7. If notified of approval, the student signs a promissory note at the Lending Institution. Only the student's signature is required. Copies of the note are kept by the student and the Lending Institution. The money is actually disbursed by the Lending Institution at times and in amounts as agreed upon with the student.

Maximum Amounts Which May Be Borrowed Per Year
by "Full Time" Students Pursuing A Degree Course*

	Per year		Per year
First Year Undergraduate	$ 750.00	Fourth Year Undergraduate	$1500.00
Second Year Undergraduate	1000.00	Subsequent and Graduate years	1500.00
Third Year Undergraduate	1250.00		

Loans shall not total over $7500.00 for any student

"Part Time" Students Pursuing A Degree Course

These students should make out applications to cover only one semester or trimester at a time. The limit for which they may apply for such semester or trimester will be one quarter of the limit allowable for that particular college year as follows:

	Per semester		Per semester
First Year Undergraduate (Freshman)	$187.50	Third Year Undergraduate (Junior)	$312.50
Second Year Undergraduate (Sophomore)	250.00	Fourth Year Undergraduate (Senior)	375.00
		Subsequent and Graduate years	375.00

Loans shall not total over $7500.00 for any student

In colleges or universities operating on a four term or quarter schedule where three quarters are the equivalent of an academic year, a student may apply for two quarters at a time.

	Per quarter		Per quarter
First Year Undergraduate (Freshman)	$125.00	Third Year Undergraduate (Junior)	$208.00
Second Year Undergraduate (Sophomore)	167.00	Fourth Year Undergraduate (Senior)	250.00
		Subsequent and Graduate years	250.00

Loans shall not total over $7500.00 for any student

by "Full Time" Students at Nursing Schools

In any one "school year" an amount up to $500.00.
Loans shall not total over $1500.00 for any student

by "Full Time" Students at other "Post-Secondary" Schools

In any one "school year" an amount equal to the tuition charge for that year or $500.00 whichever is less.
Loans shall not total over $1500.00 for any student

* Legislative authority exists for guarantee of loans not to exceed $1,500 to a student in any one year where need is properly demonstrated.

What period should loans cover? — Except for "Part Time" students, applications should cover the needs for the entire "student's school year", i.e., Freshman, Sophomore, etc. No application may cover a loan to apply to expenses in more than one "student's school year". For succeeding years the student, if again qualified, may reapply for needed school loans. Except for those participating in the "Intensive Teachers Training Program" students planning to attend summer session(s) only are not eligible for guaranteed Student Loans.

When must applications be made? — Processing of applications for a given school term starts three (3) months before the start of the term. Applications should be made as early as possible; they may, however, be made at any time during the school year.

Everybody Benefits

— **Students**, because their best educational and vocational opportunities will be increased.
— **High Schools**, because more of their students, with scholastic ability, will be able to go on to further education.
— **Colleges, and other post-secondary schools**, because more qualified students will be seeking enrollment.
— **Business Firms**, because an increased supply of well-trained technical, managerial and sales personnel will be available.
— **Society**, because of the added contributions educated people can make wherever they live or work.
— **Our Economy**, because a better educated citizen will promote a higher standard of living.

Address all inquiries and correspondence to

New York Higher Education Assistance Corporation
111 Washington Avenue • Albany, New York 12224

FORM HE 200-9/63

EXHIBIT H-2

HEAC loans outstanding, Jan. 31, 1963, in New York State's registered private business schools

School	Number	Amount
Albany Business College	63	$28,755
Berkeley School	3	1,500
Berkeley School of Westchester	2	1,000
Browne's Business School	0	----------
Bryant & Stratton Business Institute	59	29,050
Central City Business Institute	80	42,629
Claremont Secretarial School	25	11,730
Collegiate Business Institute	1	500
Freeman Business School	4	1,780
Heffley & Browne Secretarial School	16	6,690
Interboro Institute of Business	25	15,050
Jamestown Business College	4	1,630
Jean Summers Business School	1	500
The Kelley Business Institute	0	----------
Krissler Business Institute	3	1,290
Lowell School of Business	0	----------
The Mary Byers School	4	1,965
Merchants & Bankers' Business and Secretarial School	0	----------
Mildred Elley Secretarial School	21	9,792
Monroe School of Business	10	4,530
Ogdensburg Business School	6	2,200
Our Lady of Victory Secretarial School	9	3,925
Powelson Institute	41	22,015
Ridley Secretarial School	2	1,250
Rochester Business Institute	98	51,791
Spencer Business School	6	2,510
Utica School of Commerce	24	12,988
Watertown School of Commerce	14	6,405
Westchester Business School	0	----------
Westchester Business School of White Plains	7	3,500
The Wood School	18	8,840
Total	546	273,815

EXHIBIT H-3

HEAC loans, Albany Business College, Feb. 26, 1964

Date	Total loans	Total dollars	Date	Total loans	Total dollars
Sept. 30, 1961	20	8,290	Jan. 31, 1963	63	28,755
Jan. 31, 1962	26	10,880	May 31, 1963	68	30,734
May 31, 1962	31	12,565	Sept. 30, 1963	100	52,079
Sept. 30, 1962	48	21,990	Jan. 31, 1964	117	61,662

Mr. SNEDEN. Senator, I wish to just highlight the written or prepared testimony.

First of all, I am Robert W. Sneden, president of the Davenport Institute in Grand Rapids, Mich. This is a nonprofit junior college of business which is accredited by the Accrediting Commission for Business Schools.

Also, by way of background, I am president of the United Business Schools Association, which is the association of educational institutions in which nearly 500 of the quality independent either nonprofit or taxpaying business schools and junior colleges of business hold membership.

I would like to introduce into the record first of all a statement which was prepared by Mrs. A. G. Gaston, who is the director of the Booker T. Washington Business College in Birmingham, Ala.

Senator MORSE. That will be received into the record.

(The prepared statement of Mrs. Gaston follows:)

PREPARED STATEMENT BY MRS. A. G. GASTON, DIRECTOR, BOOKER T. WASHINGTON BUSINESS COLLEGE, BIRMINGHAM, ALA.

Mr. Chairman and members of the Subcommittee on Education, my name is Mrs. Minnie Gaston. I am the director of the Booker T. Washington Business College of Birmingham, Ala. My husband, A. G. Gaston, is the president.

We are deeply grateful to have this first opportunity to tell you and the other members of the subcommittee about our problems in making office education available to our people when there is no effective and broad-based system of low-cost student loans available to needy young men and women in accredited business schools. We hope you will consider expanding the provisions of the National Defense Education Act student loan program by amending it, and S. 2490, so that students who need your support can study to be automatic data processors, machine accountants, and trained secretaries and office workers.

As introduced, S. 2490, embodies a wonderfully new principle. It extends the benefits of the student loan program to students who are enrolled in less than bachelor degree programs.

My sincerest hope is that your committee can find ways and means through S. 2490 to open systems of low-cost loans for needy students in accredited business schools. As introduced, S. 2490 would make available the student loan program only to students in scientific and technical courses of less than a bachelor's degree program.

Our plea to you is that you reconsider this present approach and expand the student loan program so it can really help students in the 216 accredited business schools. It is very difficult to try to explain to high school principals and teachers why, when the National Defense Education Act names business schools in particular, loans under it actually are not available to students.

Most programs in accredited business schools are only 1 or 2 years in length. They are terminal programs preparing people directly for jobs in industry and government.

I respectfully urge the members of this committee to consider amending S. 2490 so that it can provide needed assistance to business school students. A similar bill, H.R. 9846 through section 101 would open up the student loan program to many ambitious young men and women like the ones we have trained in the Booker T. Washington Business College over the past 25 years.

Because of the lack of office personnel for his insurance business, in 1939 my husband conceived the idea of starting the Booker T. Washington Business College for the prime purpose of training white-collar workers for his own business enterprises. However, upon the opening of the Booker T. Washington Business College it was found that the thirst for such knowledge was so great in the community until the school was soon overcrowded; many students enrolling despite a lack of funds. Since 1939 we have graduated more than 8,000 students and have a present enrollment of 360. We began with only 1 teacher and now we have a well-trained faculty of 20. We are accredited by the Accrediting Commission for Business Schools, which has been recognized by the U.S. Office of Education as a "nationally recognized accrediting agency." We are approved by the Veterans' Administration and State Board of Education of Alabama. We are members of the United Business Schools Association.

Even though the above statement may seem an evidence of phenomenal growth, I wish to point out here that we have only scratched the surface of our potential. My husband and I have the facilities for training ambitious youths, but the amount we can do is limited. We have helped many financially, but cannot reach as far as we would like. You will find examples throughout our business enterprises of people from very humble beginnings, some the children of former coal miners and other laborers who worked with my husband before he entered business. Some of our top executives are the children of these poor families whom my husband has given scholarships and other training which has equipped them for being an asset to our society and community as a whole.

Whereas there have been many success stories, there have also been many failures. Some of the less fortunates are still struggling, and despite the fact that they have the aptitude and a genuine interest in equipping themselves for gainful employment, temporary—and sometimes permanent—setbacks are experienced because of family and financial problems. A financial boost to the ambitions of these people would be a credit to our society.

Whereas my husband and I have, as I have stated, the facilities, the will, and the know-how to train our youth, many of them never reach the field of our activity; many we never hear of, because a severe lack of finances has dulled their ambitions. Financial aid to these students would enable us to exert our influence and help guide them along the road to success.

The vast need for unskilled labor is past; what we need now is more skilled workers—which student loans would make available.

May I restate that the Booker T. Washington Business College has been for many years one of the few schools training our youth for white-collar employment as accountants, clerks, secretaries and general office workers, and IBM accountants. These jobs are opened to ambitious Negroes throughout America. In reviewing our records we find that very early in 1943–44 when a distress call came from Washington for trained secretaries and office workers, our school was one of the few schools where civil service examinations were given. Some 56 or more of our students were sent to Washington, Chicago, Tuskegee, and other defense areas as clerical workers on that first call. Many of these students are yet gainfully employed in Washington and have made many advances since.

From a study made of the growth of the Negro in the South, and Birmingham in particular, it was pointed out that 37.4 percent of all Negro families made under $2,000 annually; 33.8 percent had an income of between $2,000 and $3,999; and, only 25.2 percent made between $4,000 to $6,999. What is true in Birmingham is true for the entire South. This will give you some idea as to the need for financial loans to help with education.

I daresay that if the Booker T. Washington Business College had not been operating for the past 25 years, thousands of our youth now gainfully employed throughout America would not be employed today. Many of these have gone through school without paying half of their tuition. For many years it was my husband and the Booker T. Washington Insurance Co. who were the good samaritans and sponsored the salaries of the teachers and the rental fee for the building so that we could continue this training for our youth.

We can look back with pride and see where whole families have gone through the Booker T. Washington Business College and are now productive citizens of America. Now we are in the process of training the children of these youths, who look forward to employment this year and the years to come.

We would like to give this bird's-eye view of some of the things we have tried to do—not only in Birmingham but throughout Alabama. Some 10 years ago my husband and I were so concerned about the spelling fundamentals and reading habits of our youth that we wanted to contribute statewide help; so, we started what is known as the A. G. Gaston Statewide Spelling Bee. From the beginning we received the cooperation of the superintendents and boards of education of Alabama from over 50 percent of the school systems. Now we can say all of the superintendents and boards of education are cooperating 100 percent in this wonderful program. We have had many echoes that our girls and boys have increased in their reading abilities some 100 percent over this period of years.

You will find enclosed copies of letters from the superintendents of education of Alabama, also a copy of the material used in the spelling bee. The entire cost of this venture is paid by my husband with the Booker T. Washington Business College and the Booker T. Washington Insurance Co. underwriting the expenses.

Through the years we have promoted character development of our youth. One of our pride ventures is Smith & Gaston Kiddie Club with the age group 4–14. We boast of 11,000 members throughout Alabama. Every year we celebrate with a parade and picnic. We have weekly broadcasts to develop talents of these youth. We also encourage wisdom of economy and teach our children to save a part of what they earn.

We are proud of the contributions our graduates are making. They are serving as registrars and secretaries in many local schools and colleges and five-sixth of all Negro businesses throughout the Southland. Just recently one of our graduates was employed as bank examiner for his State and many have been employed by the Federal Government locally and at the Space Center in Huntsville, Ala. Our enterprises are staffed by our graduates serving in the capacity of managers, controllers, accountants, clerks, bank tellers, executives. Both president and director have graduates as their secretaries.

This year we received over 700 applications for admittance to our school. One-third of them did not enroll because they were unable to pay just the first quarter of tuition. One-third of the enrollees are paying in installments, but because of their desire for an education we have allowed them to remain in school.

What is true of the youth here in Alabama is true of the youth of America. All families who fall in the low income bracket will certainly need some financial help in order to lift their family status. There is little need for blue-collar workers in today's labor market. Youth today must be able to produce and must have a marketable vocational skill obtainable only through specialized postsecondary education if they are to remain gainfully employed.

This might not be the manner in which to present this statement to the congressional committee, but this is our first opportunity and it is done with much sincerity. I am 49 and my husband is 70, which makes 119 combined years of service for the good of our community and our country.

We see the need for doors to be opened for thousands of Americans who have the desire but are in the low-income bracket. Many will not rise above the level of maid, janitor, etc. without assistance.

We are sure you meet this problem in your nationwide contacts, but not as close as we do. I hope my statement will show you some more of the growing demands and just what a little help will do toward lifting whole communities.

With all due respect and praise for the goals set out in the recently enacted Vocational Education Act of 1963, we most certainly feel that in the light of social realities, as we know they do exist, a realistic National Defense Education Act student loan program will be of immediate assistance for our people today, next year, and within the next 5 or 10 years.

I hope the members of the committee will consider amending S. 2490 so that all needy business school students can be helped by an expanded National Defense Education Act student loan program.

Mr. SNEDEN. This is a very fine statement by the administrator of a very fine institution, an accredited 2-year school of business. Also exhibits A, B, and C.

Senator MORSE. The exhibits will also be included.

(The documents referred to follow:)

Exhibit A

BOOKER T. WASHINGTON BUSINESS COLLEGE

Official Catalog

DAY AND EVENING SESSIONS

1961 - 1964

1527 5th AVENUE, NORTH   BIRMINGHAM, ALABAMA

29-655 50

88%

A CATALOG OF INFORMATION–INSPIRATION

for forward-looking young men and young women who desire a better and more modern business training than the ordinary type of business colleges can give, and where all the surroundings contribute to the building of character as well as commercial training.

The Most Modern Business College in this City and the Best Equipped in the State of Alabama

OUR COLLEGE IS FULLY ACCREDITED

1961 – 1964

Booker T. Washington Business College

BIRMINGHAM, ALABAMA

Foreword

Today, the Negro stands on the threshold of a field heretofore confronted him as forbidden territory . . . A territory that challenged his imagination, his will power, and his judgment. Today, with the Negro being integrated into practically every field and every level of employment, it pays him to prepare himself. Never before in the history of our great country has UNPREPAREDNESS been his major obstacle as it is today. Many other factors that have retarded his progress are gradually and surely being erased. As vast fields of opportunities are being opened to him, the BOOKER T. WASHINGTON BUSINESS COLLEGE is doing its part to help him take advantage of thorough training in business—to get the know-how—to meet the great challenge of the century.

Dr. A. G. Gaston and Mr. A. L. (Dad) Smith visioned the Negro entering into the business field wholly unprepared. The instinct of protection for youth was so strong in them that they began to ponder in their minds, ways and means to safeguard the men and women of tomorrow against the pitfalls of a business venture. This mental battle gave birth to the BOOKER T. WASHINGTON BUSINESS COLLEGE in June, 1939. This institution was and is designed to give thorough business training to those who wish to enter the field of business. The founders of this great institution battled their way to success by trial and error. Knowing that everybody would not have the stamina to fight it through as they had done, they said:

"Let us build from day to day a bridge safe for others who may pass this way."

29-655 O - 64 - 26

Office of Dr. A. G. Gaston, President

One of Alabama's most successful, progressive, and enterprising businessmen, Dr. Gaston knows from his wide personal experiences the real value of thorough business training. He employs more than 400 business people to operate his vast Alabama enterprises. With the high standard of service and efficiency that is required and maintained constantly throughout his entire organization, he was inspired to pass the opportunity for this type of business training on to the ambitious youth of this state, by bringing into existence the BOOKER T. WASHINGTON BUSINESS COLLEGE in June, 1939. Today, its graduates and former students are numbered by the thousands. Many are executives and others are employed by leading firms and government agencies throughout the country.

DR. A. G. GASTON

L. H. D., Allen University, Columbia, South Carolina

L. H. D., Monrovia College and Industrial Institute, Monrovia, Liberia, West Africa

LL.D., Daniel Payne College, Birmingham, Alabama.

L. H. D., Paul Quinn College, Waco, Texas.

PRESIDENT: Booker T. Washington Business College, Booker T. Washington Insurance Company, Smith and Gaston Funeral Directors, Vulcan Realty and Investment Corp., A. G. Gaston Motels, Inc., Citizens Federal Savings and Loan Association, A. G. Gaston State-wide Spelling Bee, Citizens Walgreen Agency Drug Store, Secretary-Treasurer of Church Extension Department, African Methodist Episcopal Church.

MEMBER: Board of Trustees, Tuskegee Institute; Board of Trustees and Treasurer, Daniel Payne College; Board of Directors, Jefferson County Survey Committee; Citizens Committee, Committee of 100, City of Birmingham; Jefferson County Association for Mental Health.

FRATERNAL AFFILIATIONS: Supreme Vice-Chancellor, Knights of Pythias; Supreme Worthy Counsellor, Court of Calanthes; 33rd Degree Mason; Member of I. B. P. O. E. of W.; Worthy Patron of the Order of Eastern Star. Dr. Gaston is a qualified voter and Notary Public for Jefferson County, Alabama.

This sketch only skims the surface of the great works of Dr. Gaston. Mere words cannot tell how much he has benefited humanity and what he has done to uplift and uphold the youth today. He is an all-around good neighbor, contributing generously to worthy causes. He has 'built well his bridge', and he sees the steady flow of youth who continually pass over it into the land of economic security and gainful employment that he has made possible.

Dr. Gaston, a world traveler and lecturer, has had many interesting experiences in his life and tries to pass them on to his fellowmen. The Booker T. Washington Business College is one of the many media that he uses to help his fellowmen.

Office of Mrs. M. L. Gaston, Director

Mrs. Gaston, a product of Tuskegee Institute, Tuskegee Institute, Alabama, and Gregg Business College, Chicago, Illinois, has very ably directed the Booker T. Washington Business College since 1943. Under her capable leadership, the school has made its most signal advancements.

Mrs. Gaston states that you will be enthused to find how practical and useful your training is right from the start. You will be thrilled to see how quickly you learn the principles of business; how rapidly you acquire business skills. Almost before you know it you will be ready for our Placement Bureau to recommend you for a good position. You will be earning a good income. You will know the happiness of achievement. You will have earned the pride of your parents and the respect of your neighbors and friends. Enroll today and assure your future in a business career.

The College Calendar

1961 **1961**

FALL QUARTER

September 4—Monday	Labor Day
September 5—Tuesday	General Registration
September 6—Wednesday	Classes Begin
November 23, 24—Thursday, Friday	Thanksgiving
November 29, 30—Wed. Thur.	Examinations for Fall Quarter

WINTER QUARTER

December 1—Friday	General Registration
December 4—Monday	Classes Begin
December 22—Friday	Christmas Holidays Begin
January 1—Monday	New Year's Day
February 27, 28—Tues. Wed.	Examinations for Winter Quarter

1962 **1962**

SPRING QUARTER

March 1—Thursday	General Registration
March 2—Friday	Classes Begin
March 22, 23—Thursday, Friday	Spring Holidays
May 29, 30, 31—Tues., Wed., Thur.	Examinations for Spring Quarter
May 27—Sunday	Baccalaureate
May 31—Thursday	Commencement

SUMMER QUARTER

June 1—Friday	General Registration
June 4—Monday	Classes Begin
July 4—Wednesday	Independence Day
August 16, 17—Thur. Fri.	Examinations for Summer Quarter
August 17—Friday	Summer Vacation Begins

1962	1962

FALL QUARTER

September 3—Monday	Labor Day
September 4—Tuesday	General Registration
September 5—Wednesday	Classes Begin
November 22, 23—Thursday, Friday	Thanksgiving
November 29, 30—Thur., Fri.	Examinations for Fall Quarter

WINTER QUARTER

December 3—Monday	General Registration
December 4—Tuesday	Classes Begin
December 21—Friday	Christmas Holidays Begin
January 1—Tuesday	New Year's Day
February 27, 28—Wed. Thur.	Examinations for Winter Quarter

1963	1963

SPRING QUARTER

March 1—Friday	General Registration
March 4—Monday	Classes Begin
March 21, 22—Thursday, Friday	Spring Holidays
May 26—Sunday	Baccalaureate
May 29, 30, 31—Wed., Thur., Fri.	Examinations for Spring Quarter
May 31—Friday	Commencement

SUMMER QUARTER

June 3—Monday	General Registration
June 4—Tuesday	Classes Begin
July 4—Thursday	Independence Day
August 15, 16—Thur., Fri.	Examinations for Summer Quarter
August 16—Friday	Summer Vacation Begins

1963 **1963**

FALL QUARTER

September 2—Monday	Labor Day
September 3—Tuesday	General Registration
September 4—Wednesday	Classes Begin
November 26, 27—Tues., Wed.	Examinations for Fall Quarter
November 28, 29—Thursday, Friday	Thanksgiving

WINTER QUARTER

December 2—Monday	General Registration
December 3—Tuesday	Classes Begin
December 20—Friday	Christmas Holidays Begin
January 1—Wednesday	New Year's Day
February 27, 28—Thur., Fri.	Examinations for Winter Quarter

1964 **1964**

SPRING QUARTER

March 2—Monday	General Registration
March 3—Tuesday	Classes Begin
March 18, 19—Thursday, Friday	Spring Holidays
May 28, 29—Thur., Fri.	Examinations for Spring Quarter
May 31—Sunday	Baccalaureate
June 1—Monday	Commencement

SUMMER QUARTER

June 2—Tuesday	General Registration
June 3—Wednesday	Classes Begin
August 14, 15—Fri., Sat.	Examinations for Summer Quarter
August 15—Saturday	Summer Vacation Begins

THE OBJECTIVES

of the

BOOKER T. WASHINGTON BUSINESS COLLEGE

It is the objective of the Booker T. Washington Business College to give young people of post-high school age effective training for business life; to help them through the medium of vocational counseling to select suitable careers or job objectives in line with their economic welfare, natural aptitudes and personal interests; then to equip them with the knowledge and skills needed for such employment; and to assist them in obtaining satisfactory positions.

It is the objective of the Booker T. Washington Business College to make business education interesting and attractive to young people. This is accomplished by streamlining its courses of study to include only essential subject matter; by providing ample equipment and suitable instruction based on the most effective principle known to the teaching profession—"Learn to do by doing."

It is the objective of the Booker T. Washington Business College to take a personal interest in the welfare of each enrolled student; to offer him help and guidance in the solution of his personal problems; to encourage the practice of good human relations; to stimulate the development of good character, proper work habits, and a pleasing personality; and to emphasize a wholesome philosophy of success based on self-discipline, personal integrity, service to others, and devotion to the established principles of our American way of life.

It is the objective of the Booker T. Washington Business College to strive faithfully to serve the demands of employers in their search for competent office workers; to keep alert to the ever-changing needs of these employers and to make quick adjustments in its training programs to meet these needs; to cooperate with office management personnel in matters affecting the skill requirements, standards of production, salary schedules, and working conditions on all levels of office employment.

It is the objective of the Booker T. Washington Business College to combine successfully the conduct of a business enterprise with the operation of an educational institution; to pioneer in the development of new improved training techniques and to share the findings with interested business teachers and organizations; to justify a continuance of the public favor it has held since 1939 by constantly striving to do a BETTER job in the field of Specialized Business Training.

The College

Mr. Howard L. Turner of Birmingham, Alabama, was called to the Home Office of the Booker T. Washington Insurance Company in June, 1939, to give business training to the employees of the company. He taught typewriting, shorthand, bookkeeping, and English. At the close of the summer, many young people were attracted to the principles of the college; and in September, 1939, eager potential clerical workers from all over the city were seeking admission. By January, 1940, the enrollment had grown to such enormous proportions that it demanded the addition of one other person, Miss Helena Kennedy, a graduate of Tuskegee Institute, who assisted Mr. Turner in the teaching of shorthand and typewriting.

On June 10, 1940, the first class was graduated from this school with Dr. F. D. Patterson, then President of Tuskegee Institute, as commencement speaker. His speech, which re-emphasized the necessity of business training for Negro youth in large metropolitan areas, had a wide-spread effect.

Mr. Turner was succeeded by Mr. James Bryant as director of the school in October, 1941. Mrs. M. L. Gaston accepted directorship of the Booker T. Washington Business College in September, 1943. During her continuous tenure of office, the school has made its most signal advancement. It is now accredited by the National Association and Council of Business Schools, the Alabama State Educational Board, approved by the Veterans Administration, and accredited by the Accrediting Commission for Business Schools, Washington, D. C.

Its students have the latest office machines as part of their training equipment, including manual and electric typewriters, calculators, adding machines, dictaphones, addressing machines, addressing plate machine, postage meter machine, postage scale, tape recorder, public address facilities, offset printing machine, a stitching machine, and a mimeograph machine. The Booker T. Washington Business College students have at their disposal a $30,000 complete International Business Machines installation for training in the lucrative field of electrical accounting. This installation includes: the 402 Accounting Machine, Duplicating Punch Machine, Automatic Reproducing Punch Machine, Card Sorter, Collator, Verifier, and Alphabetical Interpreter.

Since its founding in 1939, the Booker T. Washington Business College has been sending into the business world young men and women thoroughly trained and able to find a ready market for their business training. The Booker T. Washington Business College has

THE COLLEGE

maintained high educational, business, and ethical standards. It is a respected institution among educators, as well as in business circles; its graduates enjoy a prestige which a B. T. W. Diploma represents. Its courses of study are so planned as to meet, in the best possible way, the requirements of modern business. Its faculty is composed of men and women who are specialists in their particular field.

The Booker T. Washington Business College moved into its new quarters in the million dollar A. G. Gaston Building at 1527 Fifth Avenue North, Birmingham, Alabama, on January 15, 1960. It occupies the entire second floor of this beautiful and modern three-story building.

Seven beautifully and modernly appointed, completely air-conditioned rooms, with adequately recessed fluorescent lighting, along with a suite of administrative offices, its Public Relations Department, a library, and a recreation room are at the disposal of its students.

A spacious, air-conditioned auditorium, with 500 multi-colored seats, complete with public address system, modern stage, etc., is available for chapel programs. These interesting, informative, and entertaining programs feature many guest speakers of renown, and moving pictures. Programs are designed to give the students a chance to exercise and develop their talents.

The splendid cooperation that the college has received from many of the local progressive firms in the city, in giving its advanced students a few weeks of actual on-the-job experience, has really enhanced its interne program, and has also resulted in immediate employment for many of the graduates.

SOCIAL AND RECREATIONAL ACTIVITIES

It has been proved that extracurricular activities promote attendance and study. In keeping with this theory, the Booker T. Washington Business College offers extracurricular training to the entire student body. Its choir has won high acclaim for its musical exhibition. The annual popularity contest, which culminates in the crowning of "Miss B. T. W." at the Annual Spring Dance, is one of the salient extracurricular activities at the institution. A very spacious, well-equipped, and air-conditioned recreation room is provided for the relaxation of its students.

THE COLLEGE

The Beta Psi Accounting Honor Society was established at the Booker T. Washington Business College in 1956. Membership is restricted to students of Sophomore classification or above whose overall grade point average is 2.0 with a 2.0 or better average in accounting. Transfer students are accepted for membership after one quarter of study at the Booker T. Washington Business College and upon recommendation of teachers of the Department of Accounting. The Society presents honor roll students with certificates as well as citizens awards to citizens for outstanding performance in accounting and related fields. It also awards honor certificates to recommended high school students for proficiency in bookkeeping throughout the state of Alabama.

The CHARMETTES, FRIENDS, DEBONNAIRES, GASTONETTES and ADORABLES are clubs for women students enrolled at the Booker T. Washington Business College. Their multiple purposes include emphasis on the social graces, development of finer womanhood, bringing out latent and dormant talents of its members, encouraging good scholarship, citizenship, character, and practice in good human relations. All women are automatically members of the respective clubs.

The CHANCELLORS is an organization for men students of the Booker T. Washington Business College. It places emphasis on good scholarship, citizenship, character development, respect for womanhood, and practice in good human relations. All men are automatically members of this group.

Students in shorthand classes participate in the internationally sponsored Gregg tests and awards which are designed to increase student effort and to reward progress. B. T. W. students have won OGA (Order of Gregg Artists) certificates and pins. The most popular awards offered by the Gregg Awards Department are issued on a satisfactory shorthand writing style. Its students have also won Gregg shorthand speed tests certificates and gold pins as well as attained high scores in the complete theory tests.

B. T. W. accounting students participate in the Gregg Order of Business Efficiency (OBE) which is open to accounting students. Many students have won OBE pins. The school has won third place and honorable mention repeatedly in recent years.

The curriculum is arranged so that students who work may elect to work during the day and attend night classes on a part-time basis . . . Monday, Tuesday, and Thursday nights, or they may work at night and attend school during the day on a full-time basis . . . Monday through Friday.

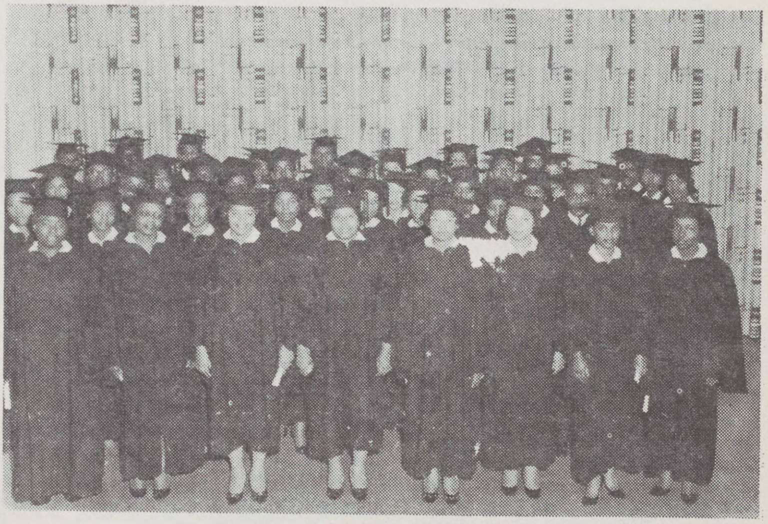
THE COLLEGE

Whatever success has attended our efforts in the educational field is due to the achievements of our students. We are glad, therefore, to express to those who have gone out into business, the industries, and the professions our very sincere appreciation of the credit that their accomplishments reflect upon our school.

In almost every walk of life are to be found former B. T. W. students, and almost without exception they are contributing something worthwhile to the community in which they live and work. Our doors never open more happily than when they swing to admit a former student returning to renew his acquaintance with us, or to tell us of his success in his chosen work.

You and your parents and friends are invited to visit the Booker T. Washington Business College. We shall be glad to discuss your plans with you.

FACULTY: Left to right, seated—Mrs. Edna M. Gardner, Miss Eugenia Merriweather, Mrs. Dixie G. Harris, Mrs. A. G. Gaston, Dr. A. G. Gaston, Mrs. Ossie W. Mitchell, Mrs. Ethelyn H. Jones, Mrs. Vera H. Powe, and Mrs. Jeanette B. Williams. (Standing) Left to right—Atty. Philander Butler, E. N. Moore, Charles S. Rogers, Herman L. Hill, and Melvin Johnson. Not shown—Robert F. Jones.



GRADUATES

PREPARED, willing and ready to make their contribution to the Business World.

Faculty

A. G. GASTON

President and Treasurer

LL.D., Monrovia College and Industrial Institute, Monrovia, Liberia, West Africa.

LL.D., Daniel Payne College, Birmingham, Alabama

L.H.D. Allen University, Columbia, South Carolina

L.H.D., Paul Quinn College, Waco, Texas

MRS. M. L. GASTON

Director

B.S., Tuskegee Institute, Tuskegee Institute, Alabama.

L.H.D., Monrovia College and Industrial Institute, Monrovia, Liberia, West Africa, and Daniel Payne College, Birmingham, Ala.

Additional Study, Gregg Business College, Chicago, Ill., and New York University, New York, N. Y.

Alumni Merit Award, Tuskegee Institute, Tuskegee Institute, Ala.

MRS. OSSIE WARE MITCHELL

Assistant Director; Instructor of business English, Adv. Dictation, and Business Management.

B.S., Tuskegee Institute, Tuskegee Institute. Alabama

Additional Study, Business Division, Northwestern University, Chicago, Illinois; and Gregg Business College, Chicago, Ill.

MISS EUGENIA MERRIWEATHER

Secretary to Director—Veterans-Registrar

Diploma, Booker T. Washington Business College, Birmingham, Alabama.

PHILANDER BUTLER

Instructor of Business Law.

LL.B., School of Law Howard University; Studies at Miles College, Birmingham, Alabama; Talladega College, Talladega, Alabama; New York University School of Law, New York, N. Y.

MRS. EDNA B. MILLER GARDNER

Instructor of Typewriting, Shorthand, and Office Methods.

B S. Hampton Institute, Hampton, Virginia.

Additional Study, New York University, New York, N. Y.

MRS. DIXIE GARDNER HARRIS

Instructor of Business Mathematics, Shorthand, Economics, and Typewriting.

Diploma, Booker T. Washington Business College.

B.S., Tuskegee Institute, Tuskegee Institute, Alabama.

M.A., New York University, New York, N. Y.

Additional Study, Gregg Business College, Chicago, Ill.

FACULTY

HERMAN L. HILL
Instructor of Mathematics, Accounting, and Choir Director.
Diploma, Booker T. Washington Business College.
Additional Study, Alabama State College, Montgomery, Alabama; Florence University, Italy.

MELVIN JOHNSON
Instructor, IBM.
Diploma, Business Administration, Booker T. Washington Business College, Birmingham, Alabama.
Diploma, International Business Machines, Booker T. Washington Business College, Birmingham, Alabama.

MRS. ETHELYN H. WILBON JONES
Clerk and Instructor of Typewriting and Shorthand.
Diploma, Booker T. Washington Business College.
Additional Study, Miles College, Birmingham, Alabama.

ROBERT F. JONES
Instructor of Accounting and Statistics.
B.S., Miles College, Birmingham, Alabama.
M.B.A., Atlanta University, Atlanta, Georgia. Additional Study, Talladega College, Talladega, Alabama.

MRS. GERALDINE LUCIUS
Cashier.
Diploma, Booker T. Washington Business College, Birmingham, Alabama.

E. N. MOORE
Instructor of Consumer Problems and Business Management.
B.S., Alabama State College, Montgomery, Alabama.
Graduate, Army Administrative School, Atlanta University, Atlanta, Georgia. Additional Studies, LaSalle Extension University, Chicago, Illinois; Booker T. Washington Business College, Birmingham, Alabama.

MRS. VERA HAYES POWE
Instructor of Business English and Typewriting.
B.S., Alabama State College, Montgomery, Alabama.
Additional Study, Howard University, Washington, D. C.; Tennessee State University, Nashville, Tennessee.

CHARLES ROGERS
Instructor of Bookkeeping and Mathematics.
Diploma, Booker T. Washington Business College.
Additional Study, LaSalle Extension University, Chicago, Ill.

FACULTY

MRS. JEANETTE A. BRAZIER WILLIAMS

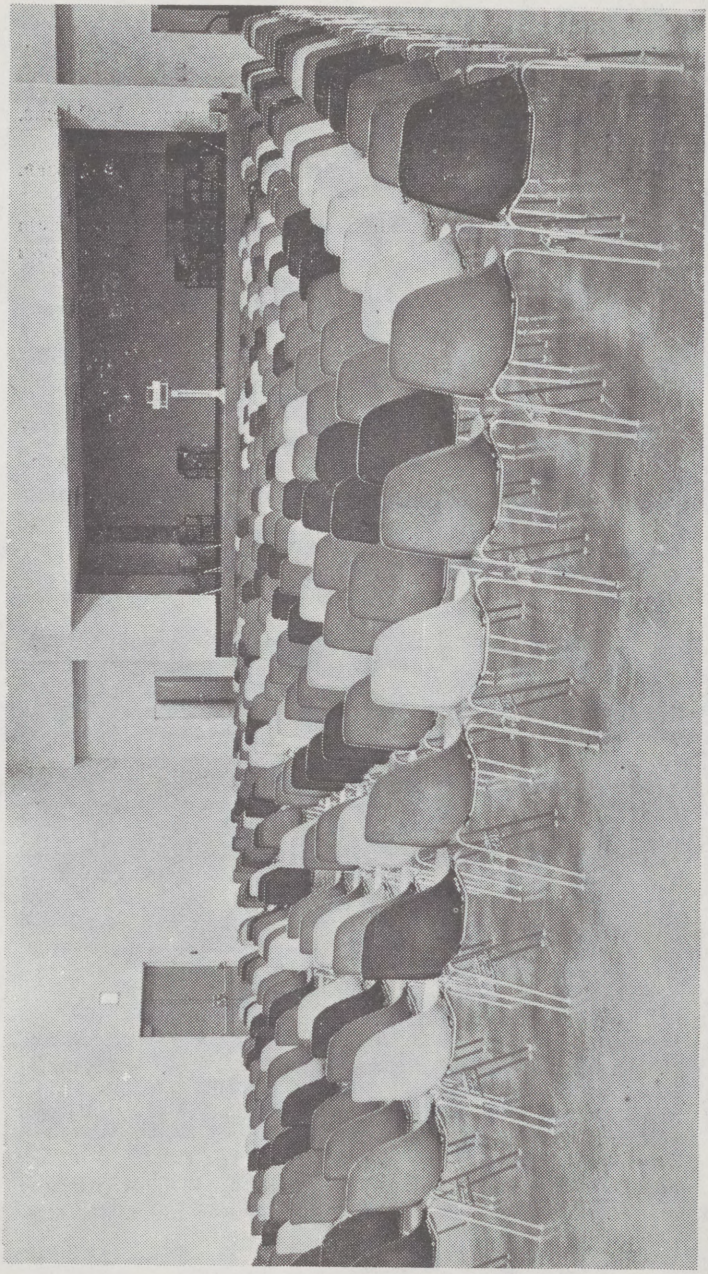
Instructor of Shorthand, Typewriting, and Consumer Problems.

Diploma, Booker T. Washington Business College.

B.S., Tennessee A and I State University, Nashville, Tennessee.

Additional Study, Wayne University, Detroit, Michigan.

Completed television course in shorthand sponsored by Birmingham Public School System through Alabama Educational Television Commission.



AUDITORIUM

This 500 seat Chapel-Auditorium serves as assembly for B. T. W. Business College as well as headquarters for conventions, meetings, etc.

29-655 O - 64 - 27

ANNUAL SPRING DANCE
The No. 1 extracurricular activity in the school

CONGRATULATIONS "MISS B. T. W."
Mrs. Gaston, director, congratulates "Miss B. T. W." on winning the annual popularity contest between the day and night classes.

SCHOOL'S RATING

The Booker T. Washington Business College is certified for full-time and part-time training, inspected and approved by the Veterans Administration, State Board of Education, National Association and Council of Business Schools, and accredited by the Accrediting Commission for Business Schools, Washington, D. C.

REQUIREMENTS FOR GRADUATION

To be eligible for graduation, the student must complete the prescribed curriculum both as to Quarter Hour credit and subjects as outlined with a grade point average of 1.0. All grades of 'I' must be removed, and all subjects in which grades of 'E' are received must be repeated with passing grades. Special students shall receive certificates upon recommendation of their instructors.

DISQUALIFICATION

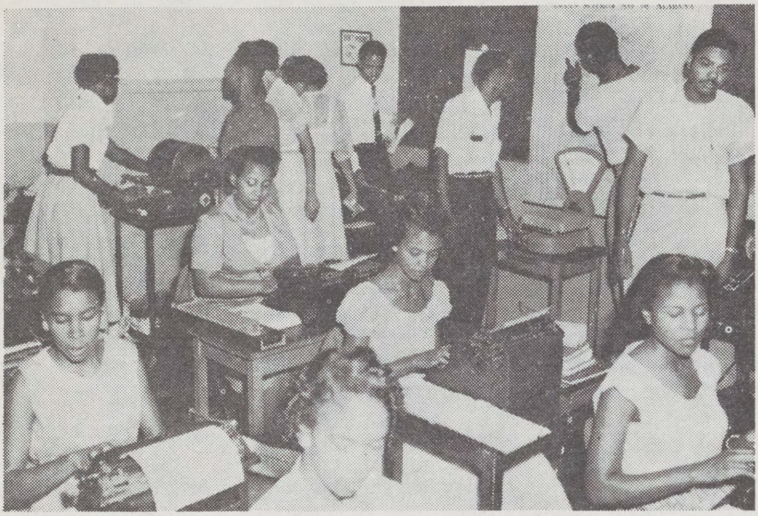
At the end of the academic year the complete record of each student is carefully reviewed; and if it appears that a student is not living up to the requirements of the school, either scholastically or otherwise, he may be requested not to return.

GRADING SYSTEM

The quality of a student's work in a course shall be reported and recorded by the following letter grades: A—Excellent; B—Good; C—Average; D—Poor (Passing); E—Failing; I—Incomplete. A grade of 'E' indicates failure. A student receiving this grade must repeat the course when it is next offered. A grade of 'I' will not be given unless the student has satisfied the minimum attendance requirements and is doing passing work. A student receiving a grade of 'I' in a course shall satisfy conditions for its removal before the end of the following quarter. Such grades not removed shall automatically become an 'E'. A student who fails to pass the English and Mathematics entrance examinations is required to do remedial work or study until he is able to meet the requirements.

WF—Withdrew Failing—If a student withdraws from a course after the first six weeks of a quarter and his work is failing, "WF" is recorded and averaged the same as a grade of "E".

WP—Withdrew Passing—When a student withdraws from a course after the first six weeks of a quarter, while his work is of passing grade, "WP" is recorded and no grade point value is involved.



OFFICE MACHINES
Where students learn to use the typewriter as a composition machine, Pitney Bowes Postage Meter machine, postal scale, mimeograph and electric accounting machines.

COUNSELLING AND GUIDANCE
Students feel free to confer with Assistant Director in personal matters, choice of course, selection of occupation, and placement.

GRADE POINTS

For determining scholarship and awarding honors, the following system of allocating points is used: A—3 grade points for each quarter hour credit; B—2; C—1; D—0.

DISCIPLINE

Every student who enters the Booker T. Washington Business College consents to be governed by its rules and regulations. A deportment record, as well as an academic record, is kept for each student; and whenever the school's authorities are satisfied that the student is not fulfilling his mission at school, such student will be dismissed, suspended, or asked to withdraw.

At all times when students are assembled in the chapel, library, study rooms, or classrooms, they are expected to maintain the highest degree of quietness. Each student in school shall be held responsible for the observance of this regulation.

Conduct at all times, at school and away from school, should be such as is expected of a college student.

Students who disregard these regulations shall be warned and put on probation for the first offense and are subject to disciplinary action and dismissal for a second offense. All students of the Booker T. Washington Business College (Regular Students, Special Students, and Veterans) are subject to the regulations as outlined above.

PLACEMENT AND GUIDANCE

The Student Placement and Guidance Bureau will aid students in the choice of courses and the selection of occupations for which they seem best fitted. Full responsibility for the guidance program, however, is centered in the office of the assistant director. Assisting in this supervision are the chairman of the testing bureau and the heads of departments. Senior students will be required to spend some time in business establishments as internees before graduation.

There are many opportunities open today for young people with business training. For young men, there are openings for executives, salesmen, accountants, auditors, bookkeepers, clerks, typists, etc. For young women there are opportunities for typists, stenographers, secretaries, etc. In addition to the above, there are opportunities for both young men and women who are qualified for positions in the Civil Service. Special assistance will be offered to those students who wish to prepare for Civil Service Examinations.

Upon graduation students will be offered the assistance of the Placement Bureau in securing positions. It is the purpose of this Bureau to give every possible aid to the student.

COURSE REQUIREMENTS

For admission to either of the two-year courses which lead to a diploma, the applicant must establish credit in fifteen units of high school work. Of the fifteen units of high school work, six are prescribed as follows:

English ....3 units

Mathematics and Science........................3 units

The remaining units may be chosen from any other subject in which credit has been allowed for high school graduation. These units may be established as follows:

BY CERTIFICATE OF GRADUATION from standard four-year high schools accredited by the Department of Education of any state or any other recognized accrediting agency or a GED Certificate.

BY EXAMINATION. Graduates of non-accredited high schools may be admitted upon passing a college entrance examination.

Students who have completed college work elsewhere may enter the Booker T. Washington Business College, taking any subjects offered by the school. Students who have not completed college work will be required to take outlined courses offered by the school.

ADMISSION AS TRANSFER STUDENT

A student, who transfers to Booker T. Washington Business College, must follow the same procedure as an applicant for admission to the freshman class. The transfer student should make certain that an official transcript and a statement of honorable dismissal are sent from each college previously attended so that they will reach the registrar of Booker T. Washington Business College at least one month before the beginning of the quarter in which enrollment is desired.

Credit will be granted only for those courses in which the student has earned a grade of "C" or above. All courses with "D" must be repeated by the student, while studying at the Booker T. Washington Business College, until a satisfactory grade is earned.

These students are operating the IBM Alphabetical Interpreter, Key Punching, Verifier, and Collating machines.

PANEL BOARD WIRING

These students are wiring the panel board that control the functioning of the various IBM machines.

ADMISSION AS SPECIAL STUDENT

Applicants who cannot meet all entrance requirements with conditions or who are not candidates for diplomas may be admitted as special students upon the approval of the Admissions Committee to courses for which they demonstrate sufficient qualifications.

Special students may become candidates for graduation if, at a later date, they are able to meet both entrance and graduation requirements.

ADMISSION TO VETERANS

The Booker T. Washington Business College is approved for enrolling veterans under Public Laws 550 and 649. Each veteran must present a certificate of eligibility from the Veterans Administration at the time of registration.

Veterans who are high school graduates or else had at least 15 acceptable high school units prior to induction into the armed services may be admitted to the College if they meet the usual entrance requirements.

Such students may claim credit for military training or experience, either technical or specialized, as recommended by the American Council on Education. This credit shall be subject to the regulations governing credit for advanced standing.

CLASS ATTENDANCE IS COMPULSORY. Students who absent themselves from class without excuse will lose credit. A student whose total absences from class, including excused and unexcused absences, exceed one-fourth the number of times the class meets during the quarter, SHALL RECEIVE NO CREDIT for the course. This attendance is reckoned from the day class begins and not necessarily from the time the student enters the class.

HOLIDAYS

The Booker T. Washington Business College observes the following periods and holidays and allows time off for their observance.

HOLIDAYS OBSERVED

New Year's Day—Spring Holiday—Independence Day—Summer Vacation in August—Labor Day—Thanksgiving—Christmas.

REGISTRATION

All students are requested to register on the dates outlined in the catalogue. Students failing to register on Registration Day will be required to pay a late registration fee of five dollars.

STUDENT HEALTH SERVICE

All students coming to the Booker T. Washington Business College for the first time must submit a complete health form as a part of registration. This includes a medical report and a physical examination by the student's own physician. All boarding students, whether housed in the YWCA, YMCA, or private homes, must bring this medical report made within two weeks prior to their leaving home.

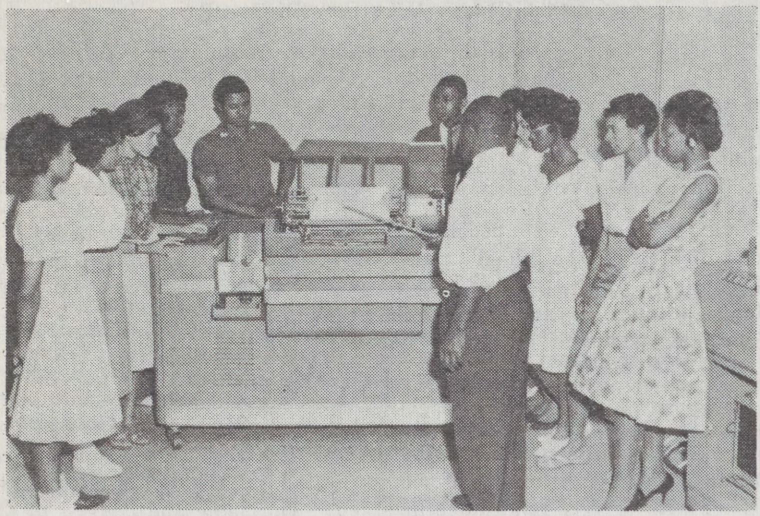
Any student who becomes ill while school is in session will be sent directly to the school's physician or to a local hospital if the case demands it. Doctors' fees and hospital fees are charged to the student's account. Where a doctor is needed, one is called to the school to render whatever service is necessary.

TRANSCRIPTS AND RECORDS

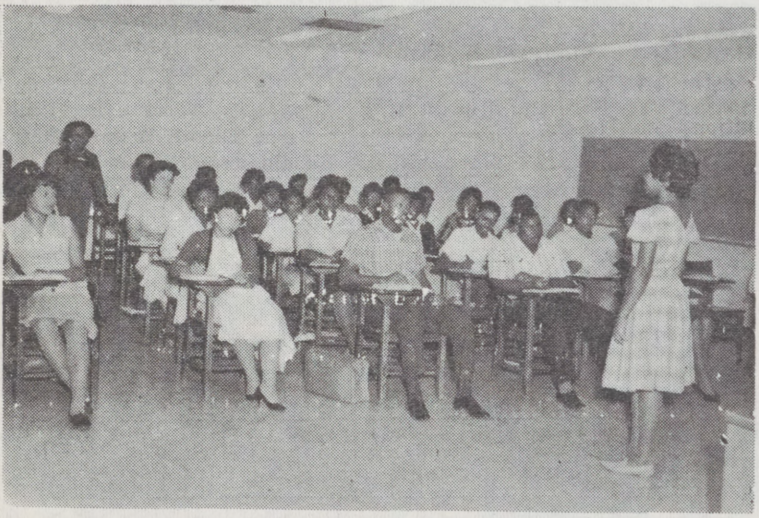
The first official transcript of the student's records is issued free of charge. Additional copies may be had at a cost of one dollar each. Applications for transcripts should be addressed to the Registrar's Office with correct remittance included. The name and address of the officials to whom the information is to be mailed should be shown. In accordance with the general practice of colleges, complete official transcripts and certifications bearing the original signature and seal of the college are sent directly to the school requesting the information.

BOARDING FACILITIES

The Booker T. Washington Business College does not have boarding facilities. However, it assists its out-of-town students in locating suitable places of residence in the city. The Eighth Avenue Branch YWCA at 500 Eighth Avenue North, Birmingham, Alabama, and the Eighteenth Street Branch YMCA at 326 18th Street South, Birmingham, Alabama, along with many approved homes are recommended by the school.



Here students learn to operate the most versatile machine in the IBM installation at the B. T. W. Business College, the 402 Electric Accounting Machine.



ENGLISH CLASSROOM

Here a complete coverage of English as it relates to business is stressed, demanded, and practiced.

TUITION RATES

BUSINESS ADMINISTRATION COURSE

(Full-time)

Registration Fee	$ 5.00
Tuition Per Month	35.00
Total Per Quarter	110.00

(Part-time)

Registration Fee	$ 2.00
Tuition Per Month	18.00
Total Per Quarter	56.00

SECRETARIAL COURSE

(Full-time)

Registration Fee	$ 5.00
Tuition Per Month	35.00
Total Per Quarter	110.00

(Part-time)

Registration Fee	$ 2.00
Tuition Per Month	18.00
Total Per Quarter	56.00

ADVANCED ACCOUNTING COURSE

ADVANCED SECRETARIAL COURSE

(Full-time)

Registration Fee	$ 5.00
Tuition Per Month	35.00
Total Per Quarter	110.00

(Part-time)

Registration Fee	$ 2.00
Tuition Per Month	18.00
Total Per Quarter	56.00

IBM ELECTRICAL MACHINE ACCOUNTING COURSE

(Full-time)

Registration Fee	$ 5.00
Tuition Per Month	42.28
Total Per Quarter	131.84

(Part-time)

Registration Fee	$ 2.00
Tuition Per Month	21.14
Total Per Quarter	65.42

TUITION POLICY

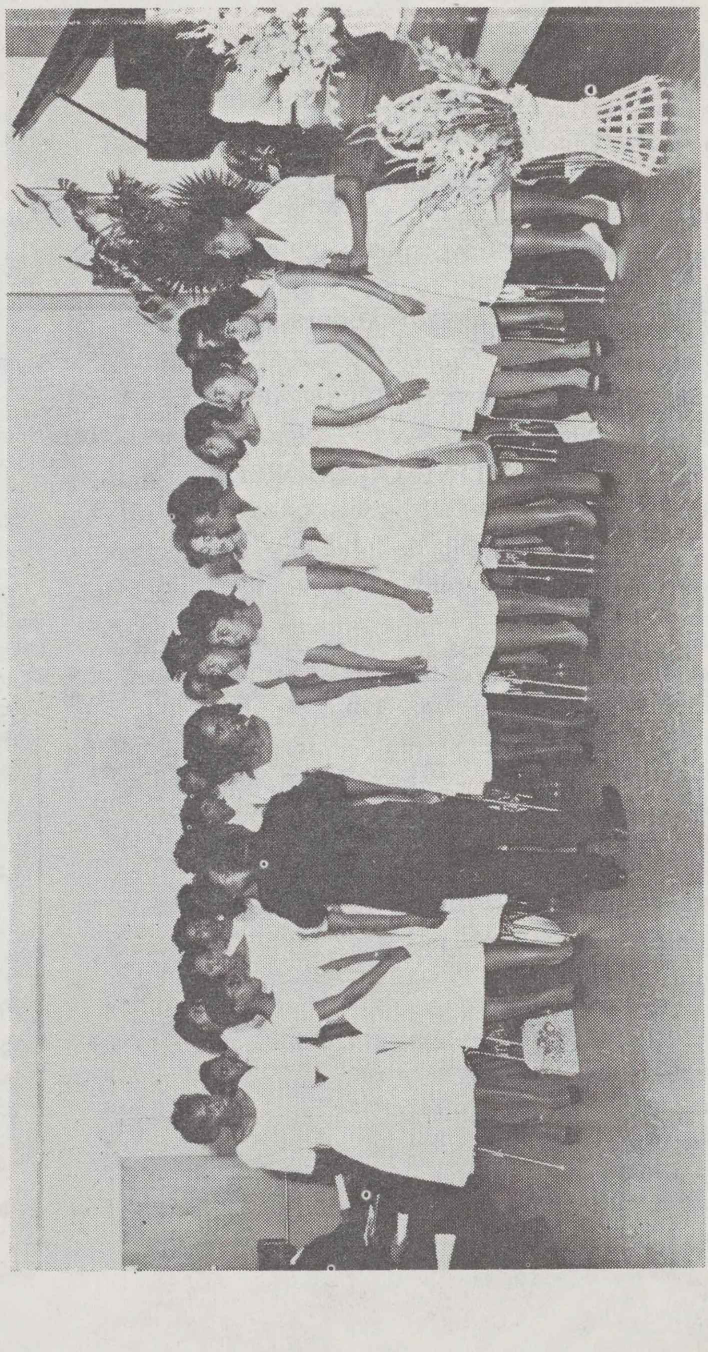
Promptness in the payment of tuition is emphasized as an important educational outcome of the student's enrollment at Booker T. Washington Business College. Financial responsibility is placed upon the student. A student who does not pay his bill when it is due or does not make proper arrangements with the administration for payment will be asked to withdraw from the college.

All withdrawals from the college must be cleared through the Registrar's Office. If a student withdraws during the quarter, a portion of his tuition is refunded in accordance with the following schedule. The registration fee is not refundable.

BASED ON QUARTERLY PAYMENT OF $105

	Refund Per Cent
First Week	83%
Second and Third Weeks	66%
Fourth and Fifth Weeks	57%
Sixth-Eighth Weeks	33%
Ninth Week	19%
Tenth Week	No Refund

STUDENTS PAYING TUITION BY THE MONTH IN $35 MONTHLY INSTALLMENTS will receive no refund after Second Week of Each Month if they drop out. Any dropouts prior to Second Week will receive proportionate share in accordance with the above Refund Per Cent.



SCHOOL'S CHOIR

The school's day and night choirs have won high acclaim for their musical exhibition.

COURSES OFFERED

SECRETARIAL TRAINING

18 Months (Full-time) 36 Months (Part-time)

BUSINESS ADMINISTRATION

18 Months (Full-time) 36 Months (Part-time)

IBM ELECTRICAL MACHINES ACCOUNTING

12 Months (Full-time) 24 Months (Part-time)

ADVANCED ACCOUNTING

9 Months (Full-time) 18 Months (Part-time)

ADVANCED SECRETARIAL

9 Months (Full-time) 18 Months (Part-time)

OUTLINE OF COURSES

FIRST YEAR STUDENTS IN SECRETARIAL COURSE

18 Months (Full-time)

36 Months (Part-time)

Subjects	Course Number	Clock Hours Weekly	Quar. Hours Cr.	Total Clock Hours
Elementary Typewriting	131, 132, 133	5	6	180
Elementary Shorthand	131, 132, 133	5	6	180
Elementary Bookkeeping	131	5	6	60
Consumer Problems	130	5	3	60
English Composition	131, 132, 133	5	6	180
Business Mathematics	031, 032	5	6	120
SECOND YEAR STUDENTS IN SECRETARIAL COURSE				
Accounting	132, 133	5	6	120
Advanced Typewriting	231, 232, 233	5	6	180
Advanced Shorthand	231, 232, 233	5	6	180
Business English	231, 232, 233	5	6	180
Office Methods	231, 232	5	6	120
Advanced Dictation	232, 233	5	6	120
Business Law	231	5	3	30
Applied Economics	232	5	3	60
Salesmanship	231	5	3	30
Interne				
				1800

ELECTIVES

Office Machines	231	5	6	60
Public Speaking	230	3	3	30
Accounting	231, 232	5	6	120
Spelling	130	5	3	60
PBX Operation	400	5	6	60
The Humanities (Required)	401, 402	3	3	72

OUTLINE OF COURSES

FIRST YEAR STUDENTS IN BUSINESS ADMINISTRATION

18 Months (Full-time)

36 Months (Part-time)

Subjects	Course Number	Clock Hours Weekly	Quar. Hours Cr.	Total Clock Hours
Introductory Bookkeeping	131	5	6	60
Accounting	132, 133	5	6	180
English Composition	131, 132, 133	5	6	180
Elementary Typewriting	131, 132, 133	5	6	180
Consumer Problems	130	5	5	60
Applied Economics	232	5	3	60
Salesmanship	231	5	6	60
Business Mathematics	031, 032	5	6	120
Business Management	231	5	6	60
ELECTIVES				
Shorthand	131, 132, 133	5	6	180
SECOND YEAR STUDENTS IN BUSINESS ADMINISTRATION				
Advanced Typewriting	231, 232, 233	5	6	180
Business English	231, 232, 233	5	6	180
Office Methods	231	5	6	60
Business Law	231	5	6	60
Accounting	231, 232, 233	5	6	360
Interne	430			
				1800

ELECTIVES

Advanced Shorthand	231, 232, 233	5	6	180
Office Machines	231	5	6	60
Public Speaking	230	3	3	30
Spelling	130	5	3	60
The Humanities (Required)	401, 402	3	3	73

OUTLINE OF COURSES

IBM ELECTRICAL MACHINES ACCOUNTING COURSE

12 Months (Full-time)

24 Months (Part-time)

Subjects	Course Number	Clock Hours Weekly	Quar. Hours Cr.	Total Clock Hours
Card Punching-Verification	031	5	6	60
Reproducing Proof-Reading	032, 033	5	6	95
Laboratory-Above subjects	034	5	6	60
English	332	5	6	60
Typing	331	5	3	30
IBM Alphabetical, Accounting	035	5	6	60
Adv. Key Punching, Verification, Speed Accuracy goal	036	5	6	60
General Laboratory Work Wiring Panel Boards	037, 038,	5	6	120
Accounting	331	5	6	60
Adv. Electrical Accounting and Designing Forms	039	5	6	60
Gang Punch Duplication, Merging Data Valuation	040	5	6	60
General Laboratory Work	041	5	6	60
English	333	3	3	60
Advanced Accounting	332	5	6	60
Punch Card Accounting	042	5	6	60

Laboratory in Punch Card	043	5	6	60
Collator-General Operation	044	5	6	60
Adv. Business Law	331	5	6	60
Advanced Accounting	333	5	6	60

GENERAL INFORMATION ABOUT IBM ELECTRICAL MACHINES ACCOUNTING COURSE

Length of Course (4 Quarters)

A student has to have a general knowledge of typing and accounting to take this course; therefore, only seniors and graduates can qualify.

MACHINES NOW AVAILABLE FOR THE COURSE: 402 Accounting Machine, 024 Duplicating Punch Machine, 514 Automatic Reproducing Punching Machine, 080 Card Sorter, 77 Collator, 056 Verifier, 552 Alphabetical Interpreter.

OUTLINE OF COURSES

ADVANCED ACCOUNTING

9 Months (Full-time)

18 Months (Part-time)

Subjects	Course Number	Clock Hours Weekly	Quar. Hours Cr.	Total Clock Hours
Advanced Accounting	331, 332, 333	5	6	180
Accounting (Cost)	430, 431	5	6	120
Accounting (Auditing)	433	5	6	60
Money and Banking	330	5	6	60
Statistics	331	5	6	60
Advanced Salesmanship	331	5	6	60
Advanced English	332, 333	5	6	120
Office Machines	331	5	6	60
Advanced Typewriting	332, 333	5	6	120
Adv. Business Law	331	5	6	60
				900

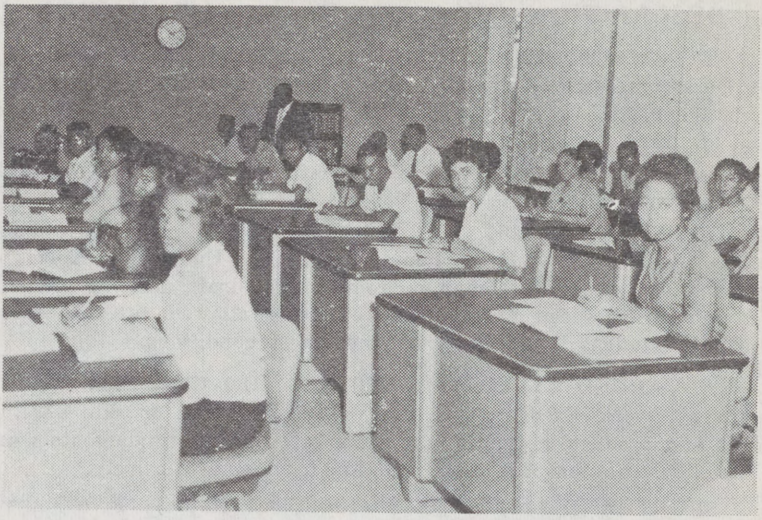
Interne

ADVANCED SECRETARIAL

Advanced English	331, 332, 333	5	6	180
Advanced Dictation	331, 332, 333	5	6	180
Personality Development	330	3	3	30
Sec. Duties-Functions	331	5	6	60
Accounting (Social Security and Tax)	331, 332	5	5	120
Advanced Typewriting	331, 332, 333	5	6	180
Advanced Shorthand	331, 332	5	6	120
Applied Psychology	331	3	3	30
Interne	430			
				900

ELECTIVES

Office Machines	331	3	3	30
Statistics	331	5	6	60



ACCOUNTING CLASSROOM

Junior and senior executives in the making are enrolled here training for lucrative positions in the field of accounting.

Many local buinesses cooperate in giving potential graduates practical on-the-job experience with them.

DESCRIPTION OF COURSES OF INSTRUCTION

TYPEWRITING 131, 132, 133 (180 Clock Hours)—Five hours of classroom work a week. Credit, six quarter hours. Thorough instruction in the use and care of the typewriter, with stress on speed and accuracy. No credit is allowed for the course until the student is able to demonstrate a working knowledge of the typewriter and type under test conditions.

TYPEWRITING 231, 232, 233 (180 Clock Hours)—Five hours a week. Credit, six quarter hours. Practice in the various forms of typewritten material. Copying from rough draft, cutting stencils, letter writing, speed practice. No credit is allowed for this course until the student is able to type under test conditions.

ADVANCED TYPING 331, 332, 333 (180 Clock Hours)—Five hours per week. Credit, six quarter hours. Emphasis on skill development and production typing; problems to cover all fundamentals and office-like situations are presented and covered extensively.

SHORTHAND 131, 132, 133 (180 Clock Hours)—Five hours a week. Credit, six quarter hours. Thorough instruction in the reading and writing of Gregg Shorthand notes. The minimum requirement for completion of the course is the accurate transcription of notes dictated at the rate of 60 words per minute for five minutes from the 2,500 most frequently used words.

SHORTHAND 231, 232, 233 (180 Clock Hours)—Five hours a week. Credit, six quarter hours. A review of the principles of Shorthand 133 with special emphasis on vocabulary building. Dictation and transcription are continued at increased rates of speed. By the end of the year, the student is expected to be able to write and transcribe material dictated at 100 words per minute.

ADVANCED SHORTHAND 331, 332, 333 (180 Clock Hours)—Five hours per week. Credit, six quarter hours. Advanced shorthand is designed to meet the needs of the student who has a good shorthand vocabulary and thorough knowledge of brief forms. The course is outlined to faciliate a student's daily practice at home and in the classroom by using collections of letters and articles composed of high frequency words and common phrases in different situations to meet the needs of the every-day situations of office problems.

ADVANCED DICTATION 232, 233 (120 Clock Hours)—Five hours per week. Credit, six quarter hours. The course puts to use the student's knowledge of shorthand and typewriting. The instructor tries to fuse many isolated subjects in the transcription—typing, reading shorthand, spelling, working with problems in grammar, punctuation, word selection, arranging copy, and proofreading.

DESCRIPTION OF COURSES OF INSTRUCTION

DICTATION 331, 332, 333 (180 Clock Hour)—Five hours per week. Credit, six quarter hours. The course inculcates in the student the ability to take dictation in any situation, as the dictation material is taken from office situations to preserve the language of the modern business office.

BUSINESS MATHEMATICS 031, 032 (120 Clock Hours)—Five hours per week. Credit, six quarter hours. Thorough instruction in the fundamentals of mathematics and the use of short-cut methods of computation. The course covers the applications of Percentage, including Trade Discounts, Profit and Loss, Marking Goods, Commission and Brokerage, Interest, Stocks and Bonds, Taxes, etc. The course is characterized by clear and full explanations, practical problems, and numerous exercises for drills and reviews.

BOOKKEEPING 131 (60 Clock Hours)—Five hours per week. Credit, six quarter hours. A study of basic fundamentals and need of records. This course is designed to introduce record keeping to the student.

ACCOUNTING 132, 133 (For Accounting 132—Five hours per week. Credit, six quarter hours. For Accounting 133—Eight hours per week with two laboratory hours. Credit, twelve quarter hours.) A study of the fundamentals of beginning and operating Accounting Systems. Consideration is given to recording, presenting, and interpreting financial data. Secretarial students require only two quarters.

ACCOUNTING 231, 232 (240 Clock Hours)—Five hours per week and five laboratory hours each. Credit, twelve quarter hours each. A course that gives further consideration to the nature and use of Accounting records.

ACCOUNTING 233 (120 Clock Hours)—Eight hours per week and two laboratory hours per week. Credit, twelve quarter hours. A study of special problems and systems in Accounting.

ACCOUNTING 331, 332, 333 (180 Clock Hours)—Five hours per week. Credit, six quarter hours. The course is a continuation in the application of Accounting Principles. Here is extended application of fundamental theory in special fields and activities. Three laboratory and two lecture periods weekly.

PREREQUISITE: Accounting listed in Business Administration.

DESCRIPTION OF COURSES OF INSTRUCTION

ACCOUNTING 430, 431 (120 Clock Hours)—Five hours per week. Credit, six quarter hours. The course is designed to apply fundamentals of Accounting as relates to cost and management.

PREREQUISITE: Accounting as listed in Business Administration.

ACCOUNTING 433 (60 Clock Hours)—Five hours per week. Credit, six quarter hours. A course in auditing of records of the business. It involves checking records for verification, analysis, and interpretation.

MONEY AND BANKING 330 (60 Clock Hours)—Five hours per week. Credit, six quarter hours. This course is designed to give the student a complete coverage of our monetary system, banking, and banking practices and their relation to business.

STATISTICS 331 (60 Clock Hours)—Five hours per week. Credit, six quarter hours. This course aims at a simplified presentation of the treatment of statistical data, together with the methods to be applied. The descriptive side is emphasized in the study of tables, charts, ratios, and percentages. Elementary treatment of the arithmetic means, mode, and median. The second part of the course deals with time series, the different movements, together with the fundamentals of index number construction, and their application to business in general.

PREREQUISITE: Consent of Instructor.

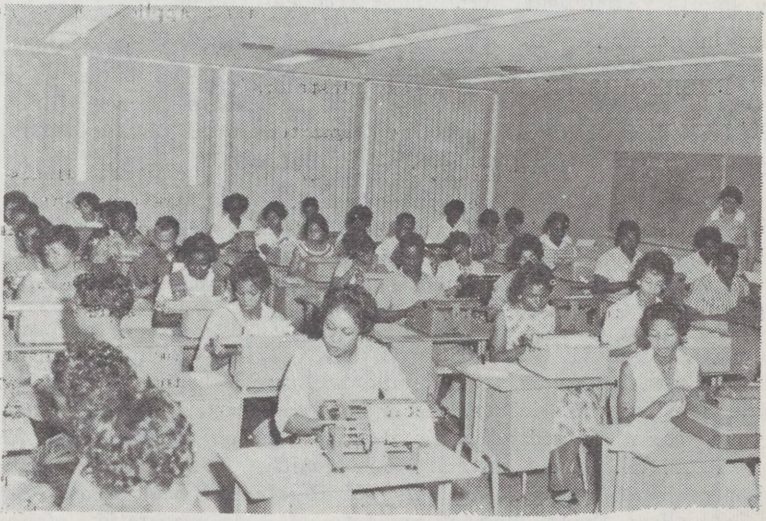
LENGTH OF COURSE: One Quarter.

ENGLISH COMPOSITION 131, 132, 133 (180 Clock Hours)—Five hours a week. Credit, six quarter hours. Development of a practical background and knowledge of oral and written English. Word study and vocabulary building. Application of the rules of grammar, punctuation, capitalization, abbreviations, and the use of figures. Sentence structure, paragraphing, and composition.

BUSINESS ENGLISH 231, 232, 233 (180 Clock Hours)—Five hours a week. Credit, six quarter hours. Specialization of letter writing, including sales letters, credit letters, advertisements, collection letters, contracts and other legal papers.

ADVANCED ENGLISH 331, 332, 333 (180 Clock Hours)—Five hours per week. Credit, six quarter hours. To give a well-rounded knowledge of English. This unit largely comprises drill in the actual handling of business correspondence. To develop the art of writing

PRINTING DEPARTMENT
Where students are taught the Multilith Offset Printing Machine, stitching, folding, paper cutting, and collating machines.



TYPING ROOM
Where speed and accuracy are stressed and practiced.

DESCRIPTION OF COURSES OF INSTRUCTION

effectively and naturally, using the basic fundamentals of English to produce letters that achieve their purpose and convey the message intended. To make a study of the types of letters frequently written in business. To train for better living, for as complete and well-rounded a life as each individual is capable of achieving through a thorough knowledge of speaking, writing, reading, and thinking.

PUBLIC SPEAKING 230 (30 Clock Hours)—Three hours per week. Credit, three quarter hours. This course has been planned to assist the student to increase his effectiveness as a speaker in every speech situation, whether it be a conversation with friends in his home or an address in an auditorium.

BUSINESS LAW 231 (60 Clock Hours)—Five hours per week. Credit, six quarter hours. A study of the nature and sources of law, the rights and duties of the individual, the law of contracts and personal property.

ADVANCED BUSINESS LAW 331 (60 Clock Hours)—Five hours per week. Credit, six quarter hours. This course is an advanced study of Business Law. It deals with the study of constitutional law, partnership, negotiable instruments, bankruptcy, wills and intestacy, and legal terms most frequently used.

OFFICE METHODS 231, 232 (120 Clock Hours)—Five Hours per week. Credit, six quarter hours. A study of the duties of a stenographer and secretary in the office, business ethics, filing, handling of incoming and outgoing mail, methods of duplication, and the use of office machines and equipment.

BUSINESS ORGANIZATION AND MANAGEMENT 231 (60 Clock Hours)—Five hours per week. Credit, six quarter hours. A basic course in the principles of management. This includes a study of the organization of manpower and other resources to achieve efficiency in the business field.

SECRETARIAL DUTIES AND FUNCTIONS 331 (60 Clock Hours)—Five hours per week. Credit, six quarter hours. In this unit the student will be instructed in those duties which distinguish the secretary from the stenographer, including thorough training in the many details in which a secretary must qualify. These duties include the opening and sorting of mail, the use of reference books, the reception of callers, the making of appointments, the preparation of reports, the organization of work, the care of office supplies, the arrangement of the office, obtaining and organizing facts, planning

DESCRIPTION OF COURSES OF INSTRUCTION

itineraries, etc. The work required on the part of students will inculcate in them the sense of responsibility which the business executive demands.

OFFICE MACHINES 231 (60 Clock Hours)—Five hours per week. Credit, six quarter hours. This course includes the instruction of modern office machines used for the preparation of various business forms. (A working knowledge of the machines is required in this course.)

OFFICE MACHINES 331 (60 Clock Hours)—Five hours per week. Credit, six quarter hours. A course designed to review all of the essential factors and machines used in the business office. (Actual experience required.)

CONSUMER PROBLEMS 130 (60 Clock Hours)—Five hours per week. Credit, five quarter hours. A course designed primarily to help the students understand and appreciate the functions of business in effecting a world-wide exchange of goods and services; to prepare them for the economic world they are soon to enter as consumers. Such problems as how to buy and how to get the most out of goods and services by careful management and selection are studied and discussed.

APPLIED ECONOMICS 232 (60 Clock Hours)—Nature of Economics.

Wealth and its production.
Marketing of Goods.
Prices, Money and Credit.
Distributive Elements of Income.
Economic Systems and Orders.
The Cost of Government.

The textbook used in this course is just a guide. The problems are taken from everyday life. Emphasis is put on the analysis of current economic trends according to sound economic principles.

PREREQUISITE: Consumer Problems, Consent of Instructor.

LENGTH OF COURSE: One Quarter.

SALESMANSHIP 231 (60 Clock Hours)—Five hours per week. Credit, six quarter hours. A course designed for a two-fold purpose: To train students as consumers, to analyze goods and services, and to develop an immunity to high pressure salesmanship—at the same time to give an understanding of the psychological principles of selling and advertising.

DESCRIPTION OF COURSES OF INSTRUCTION

SALESMANSHIP 331 (60 Clock Hours)—Five hours per week. Credit, six quarter hours. Elements of psychology applied to the business world.

Effective side of business relations.

Personality characteristics and their developments.

Ethics of employment.

Analysis of Consumer Demands.

Handling of sales. Advertising.

Selling policies.

This course, very practical in its nature, puts the emphasis on the human element in selling. It is accompanied by practical applications inside and outside the school. Stress is placed on the application of salesmanship principles in every walk of life.

PREREQUISITE: Consumer Problems or Consent of Instructor.

LENGTH OF COURSE: One Quarter.

APPLIED PSYCHOLOGY 331 (30 Clock Hours)—Three hours a week. Credit, three quarter hours. A study of human nature, group behavior, and habit formation with the idea of using these principles of general psychology as business tools.

PERSONALITY DEVELOPMENT 330 (30 Clock Hours)—Three hours per week. Credit, three quarter hours. The object of this unit is to prepare the student to adapt himself successfully to the activities of the business world from the standpoint of health, character, poise, personal traits, and business ethics. Those who would aspire to mold themselves into efficient office workers must first realize that all human beings vary in personal traits, intellectual ability, and personality. This subject will keep before the student what constitutes an ideal worker and help him to recognize his own possibilities and his own limitations.

INTERNSHIP 430 Course required for all Seniors. No academic credit. Designed to give the student an opportunity to have actual experience in practical business operations, bring these experiences back to the classroom, have them studied, discussed, and criticized objectively and constructively, with the purpose of acquiring them with correct business methods, principles, and procedures.

SPELLING 130 This course is offered to help students to become better spellers. It is required by all secretarial students and Business Administration students who are deficient in spelling.

DESCRIPTION OF COURSES OF INSTRUCTION

SWITCH BOARD—PBX TRAINING 400 A practical course or training in the mechanics of PBX Switchboard operation, with instruction in "What" to say and "How" to say it—including tone, voice, tact, courtesy, and personality. Two PBX installations are available for instruction and practice.

THE HUMANTITIES 401, 402 (72 Clock Hours)—Three hours per week. Credit, three quarter hours. This course is designed as a means, not an end. It should be a key whereby students can open doors, explore new fields, cross new waters, and climb new mountains. It is a subject which concerns everyone, for every day everyone makes decisions that are determined by his knowledge and appreciation of art, religion, and science. So we strive to increase our students' knowledge through intensive reading, special lectures, library reports, and group discussions.

CARD PUNCHING VERIFICATION 031 (60 Clock Hours)—Five hours a week. Credit, six quarter hours. This course acquaints the student with the basic operating unit of the IBM accounting method—the IBM card. These cards contain basic data in the form of punched holes which actuate the various IBM accounting machines. The course includes parts and functions of the 024 duplicating punch machines, keyboards, skipping, duplicating, feeding, ejecting, switch control, etc. This course also acquaints the student with the IBM 056 verififying machine that is designed specifically to verify the accuracy of the information punched in the IBM cards by the card punching machine.

REPRODUCING PROOF READING 032, 033 (95 Clock Hours)—Five hours a week. Credit, six quarter hours. The course is the introduction to the 514 automatic reproducing punching machine which has the advantage of automatically punching any or all of the information punched in one set of cards into another set. It also introduces the 552 alphabetical interpreter which is designed to proof read, interpret, or translate numerical and alphabetic data punched into an IBM card into printed characters on one of two printing lines on the face of the card.

CARD PUNCHING, VERIFICATION, REPRODUCING PUNCH and PROOF READING SCHEDULE 034 (60 Clock Hours)—Five hours a week. Credit, six quarter hours. Students get actual accounting problems and machine practice utilizing knowledge and skill gained in operation of card punching, verifying, interpreting, and reproducing punch machines.

DESCRIPTION OF COURSES OF INSTRUCTION

IBM ALPHABETICAL ACCOUNTING 035 (60 Clock Hours)—Five hours a week. Credit, six quarter hours. This course introduces the student to the most versatile machine in the IBM installation, the 402 alphabetic accounting machine. It reads holes in the IBM cards and automatically prepares printed reports, checks, payrolls, statements, etc.

ADV. KEY PUNCHING, VERIFICATION 036 (60 Clock Hours)—Five hours a week. Credit, six quarter hours. This course is a continuation of the study of the Key Punching and the Verifying machines with particular emphasis being placed on speed and accuracy.

GENERAL LABORATORY WORK, WIRING PANEL BOARD 037, 038 (120 Clock Hours) Five hours a week. Credit, six quarter hours. Students actually learn by doing. Here they graduate from schematic drawn control panel wiring to actually wiring of panel boards and actually applying them to the machines studied so far.

ADV. ELECTRICAL ACCOUNTING and DESIGNING FORMS 039 (60 Clock Hours)—Five hours a week. Credit, six quarter hours. This course exposes the student to some of the more complex functions of the 402 accounting machine as well as afford opportunities for actually designing forms to be prepared by the 402 accounting machine such as payroll, checks, listing, name listing, statements, insurance policies, and many others.

GANG PUNCH DUPLICATION, MERGING DATA VALUATION 040 (60 Clock Hours)—Five hours a week. Credit, six quarter hours. This course gives further training in the reproducing punch machine 514 as relates to gang punching. It also introduces the 080 card sorter which arranges IBM cards speedily and accurately into any desired sequence for the preparation of reports. It also introduces the IBM filing machine, the 077 collator, that performs selections of specific cards from a file, checks sequences, combines two files into one, and many other applications of collating IBM cards.

GENERAL LABORATORY WORK 041 (60 Clock Hours)—Five hours a week. Credit, six quarter hours. This course gives the student actual machine training in all phases of machines studied so far.

PUNCH CARD ACCOUNTING 042 (60 Clock Hours)—Five hours a week. Credit, six quarter hours. This course is a recapitulation and application of all facets of IBM skill that the student has learned. It entails actually using IBM cards to actuate various IBM machines and especially the 402 accounting machine so as to automatically perform the operation essential to record keeping and analysis of management control.

LABORATORY in PUNCH CARD 043 (60 Clock Hours)—Five hours a week. Credit, six quarter hours. This gives the student extensive practice in actual on-the-job application of punch card accounting involving all machines studied.

COLLATOR-GENERAL OPERATION 044 (60 Clock Hours)—Five hours a week. Credit, six quarter hours. This course acquaints the student with the IBM 77 Collator, an IBM filing machine that arranges IBM cards in the order desired for subsequent operations such as preparing a printed report, etc.

CUT ALONG THIS LINE

APPLICATION FOR ADMISSION
BOOKER T. WASHINGTON
BUSINESS COLLEGE

Office of the Director
Mrs. M. L. Gaston

Post Office Drawer 2621
Birmingham 2, Alabama

I hereby make application for admission to the Booker T. Washington Business College. If I am accepted, I promise to be governed by the regulations as set down by the school.

Name________________________ Sex________

Date of Birth__________ Place of Birth____________

Home Address __________________ Telephone__________

Name of Parent or Guardian____________ Relation________

Address ______________________________

High School Attended______________ Year_____ Grade_____

Address of School ________________________

Name of Principal ________________________

Have you attended any school since high school?_____ Name of School ____________

Have you ever been refused admission to any school?_____ Name of School____________

State reason for non-admission ____________________

____

I desire to enter: 2-year Secretarial Course ( ); 2-year Business Administration Course ( ); as a Special Student ( ).

I plan to enroll for the Summer Quarter ( ); Fall Quarter ( ); Winter Quarter ( ); Spring Quarter ( ).

Summer School Applications should be returned by June 1. Fall Term Applications should be returned by August 10.

Your Decision

For your careful consideration we have presented a factual and pictorial review of our advantages as an institution in which to secure the essential training in the field of business. You will probably attend only one college or business school. Your choice, therefore, is of vital importance.

We have presented the facts. The decision rests with you—a job, a livelihood—a position with satisfying opportunities for going up and up.

This is the point at which many young people hesitate, postpone, and just never do get to making up their minds. They are the ones, who ten years later, are still marking time in mediocre positions, wondering how certain classmates of their school days got all the breaks.

They put off deciding until it is too late. The logical school years of their youth slip by. They take on added responsibilities. Some marry on the strength of jobs that seem adequate at the time and later they cannot go back to school.

We stated in the outset that great vistas of opportunities are gradually being opened to the Negro, that he is being integrated into practically every field and every level of employment, and that we are doing our part to help prepare him to accept these opportunities along with their rewards. In this connection we invite you to visit our modern school, see for yourself our facilities, the fine type of students, and the friendly, able instructors. Come when classes are in session so that you may observe the practical methods of teaching. We shall look forward with sincere pleasure to welcoming you soon and to helping you reap the lucrative rewards gained from taking THE FORWARD LOOK.

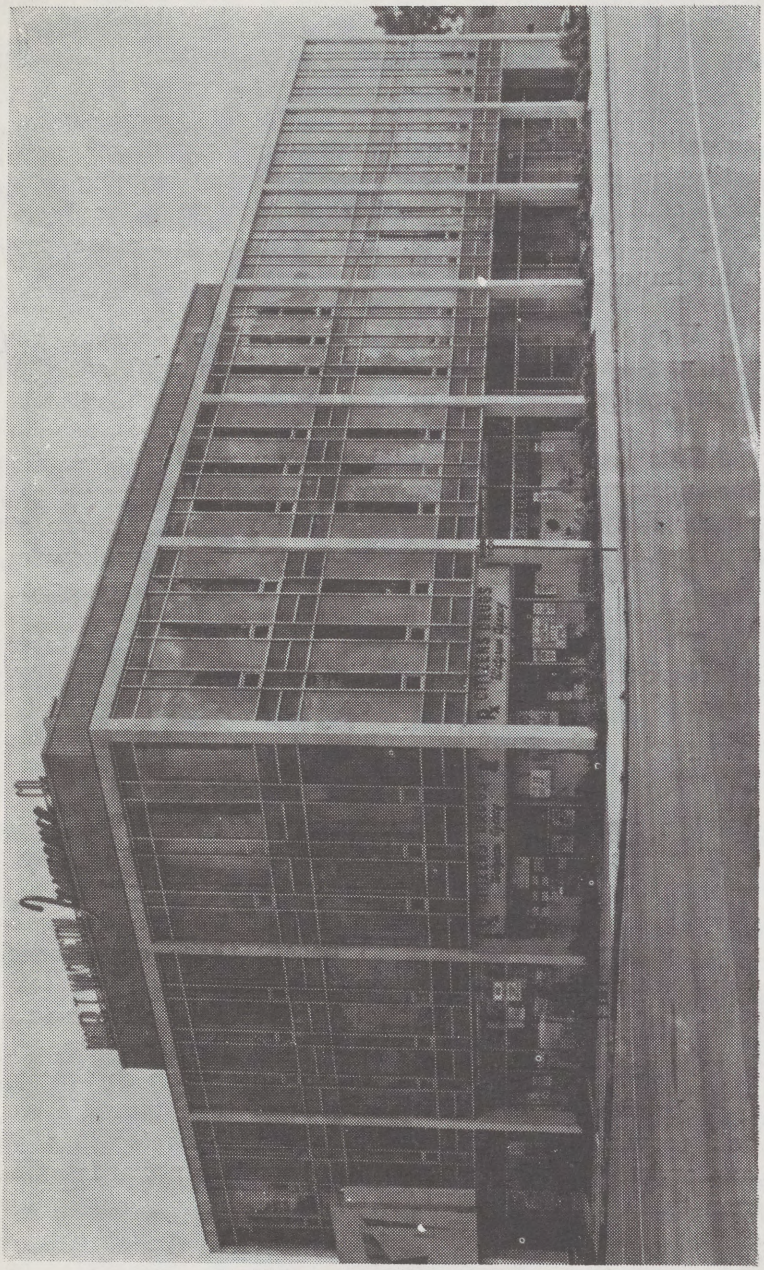


EXHIBIT B

FAIRFIELD—The Steel Ce ter Of T e South

City Board of Education
P. O. BOX 110
FAIRFIELD, ALABAMA

May 6, 1955

Mr. A. G. Gaston President
Smith and Gaston Insurance Co.
P. O. Box 2621
Birmingham, Alabama

Dear Mr. Gaston:

This acknowledges your letter of May 2 relative to the A. G. Gaston State-Wide Spelling Bee.

We do greatly appreciate your interest by sponsoring this contest and we realize that your main purpose is to instill in our youngsters an attitude of spelling consciousness. It is a very worthwhile project and so far as I know the only one of its kind in the state. A large number of our boys and girls participated in this contest. Even though only one person can win so far as receiving recognition is concerned, they all win so far as receiving benefits are concerned.

I sincerely trust that you will continue this fine project.

Very truly yours,

G. Virgil Nunn

G. Virgil Nunn
Superintendent

Talladega County Board of Education
OFFICE OF THE SUPER NTENDENT
Talladega, Alabama

May 6, 1955

Mr. A. G. Gasten
Smith and Gasten Interest
Birmingham, Alabama

Dear Mr. Gasten:

I have your letter of May 2, relative to the Spelling Bee. First, may I express to you my deep appreciation for your interest in the schools of the state and to pledge our continued interest in the Spelling Bee. My personal opinion is that it has contributed to an improvement of Spelling in our negro schools. I have watched with interest the growing participation in the program and pledge you our full cooperation in continuing to work with you in this endeavor.

Sincerely yours,

N. F. Nunnelley

N. F. Nunnelley
Superintendent

NFN:dbh

29-655 O - 64 - 29

LAUDERDALE COUNTY
BOARD OF EDUCATION
P. O. Box 39
FLORENCE, ALABAMA

HAROLD S. MAY, CHAIRMAN
JOHN H. HADDOCK, VICE CHAIRMAN
A. D. RAY, JR.
GRADY S. SPRINGER
MRS. JOHN R. WADDELL

ALLEN THORNTON, SUPERINTENDENT
MYRA H. CAMPBELL, SECRETARY

May
Third
1955

A. G. Gaston Spelling Bee
Post Office Box 2621
Birmingham, Alabama

Attention: Mr. A. G. Gaston, President

Dear Mr. Gaston:

I have your very much appreciated letter concerning the A. G. Gaston Spelling Bee. I want to say that we are whole-heartedly supporting you in your efforts. We appreciate the interest that you are putting forth regarding the contest and we feel that it is worthwhile. Our teachers are becoming more enthusiastic in the program each year. We plan to have our schools work with you in this contest next year.

Again, may we say thank you for the fine work that you are doing.

Yours for better spelling,

Allen Thornton
Superintendent of Education

AT/mhc

THE HALE COUNTY BOARD OF EDUCATION
Greensboro, Alabama

OFFICE OF THE SUPERINTENDENT

June
Fifteen
1955

Mr. A. G. Gaston
P. O. Box 2621
Birmingham, Alabama

Dear Sir:

I wish to take this opportunity to commend you and your company for sponsoring the state wide Spelling Bee in which our schools had the opportunity to participate.

So far as our participation and time spent in preparing for the contest were concerned, we feel that the benefits derived from the contest were sufficient to warrant continuing the contest.

I hope that it will be possible for you to continue this contest and that we may have more of our schools and students participating.

Yours very truly,

R. E. Ramey
Superintendent

RER/cg

Calhoun [illegible] Board of Education

June 15, 1955

Mr. A.G.Gaston

President of Smith and Gaston Interests

Birmingham, Alabama

Dear Sir:

In reply to your letter of May the second to Dr. C.Frank Newell, County Superintendent of Education Calhoun County, Anniston, Alabama, I will say that the Spelling Bee for this County has been a great success.

The teachers and pupils have been very enthusiastic in their preparation for the event. The spelling was very good. It seems to me that the children spelled better this year than last.

You are to be commended for your interest and untiring effort in behalf of this matter. It is my delight to tell you that you have been amply rewarded by your efforts.

It would make you happy to see the glee with which these youngsters enter this contest, and the effort they make to become County Champion.

Thanking you for your interest, I am,

Very truly,
Frank J. Little
Frank J.Little

Supervisor of Instruction

Calhoun County Schools

MONTGOMERY PUBLIC SCHOOLS
CITY AND COUNTY
BOX 1961
MONTGOMERY 3, ALABAMA

SUPERINTENDENT'S OFFICE

May 11, 1955

President A. G. Gaston
Post Office Box 2621
Birmingham, Alabama

Dear Sir:

The supervisors in the Montgomery Public Schools have a very definite feeling that the State-Wide Spelling Bee makes a valuable contribution to the spelling consciousness and achievement of pupils. They feel that increased awareness of pronunciation and word meaning are evident as well as the improvement in spelling as a result of this project. They promise to give continuing cooperation to make it a success if it is continued, and I hope that it will be possible for this to be done.

Yours very truly,

C M Dannelly
C. M. Dannelly
Superintendent

CMD:dd

TELEPHONE 69

CHILTON COUNTY BOARD OF EDUCATION
J. H. BOOCKHOLDT, SUPERINTENDENT
CLANTON, ALABAMA

June 22, 1955

Mr. A. G. Gaston, President
Smith and Gaston Interest
P. O. Box 2621
Birmingham, Alabama

Dear Sir:

I am very sorry that we have delayed an answer to your letters regarding the value of the A. G. Gaston State-wide Spelling Bee in which we participated this year.

This activity is one of the regularly scheduled activities for our negro schools each year and a great amount of interest is developed. I feel that it is in a field in which we need emphasis and I believe that your contest provides a great amount of this desired interest. I feel that it is doing good and I feel sure that our schools will continue to participate. You are to be congratulated on the success of this worthy undertaking.

Yours truly,

J H Boockholdt
J. H. Boockholdt
Superintendent

JHB:mpr

J. FRED WOOD, President, Centreville
S. E. BELCHER, Jr., Greenpond
J. J. WALLACE, West Blocton
H. L. PATRIDGE, Brent
W. C. JONES, Rt. 1, Brierfield

OFFICE OF
BOARD OF EDUCATION
BIBB COUNTY
ROBERT C. BROWN, Superintendent
CENTREVILLE, ALABAMA

MRS. JESSIE DEAN YOUNG
Supervisor of Attendance

MRS. RUBY GOODSON
Supervisor of Lunchrooms

June 20, 1955

A.G.Gaston, President
Smith & Gaston Interests
P.O.Box 2621
Birmingham, Alabama

Dear Sir:

The schools of Bibb County have been greatly helped by their participation in the A.G.Gaston State-wide Spelling Bee. Not only has it helped many pupils to become better spellers, it has helped the teachers as well.

The schools in our county would be glad to see this worthwhile project continued.

Very truly yours,

R C Brown
R.C.Brown, Supt.,
Bibb County Schools

/lp

CIT BOARD OF EDUCATION
FFICE OF TH SUPERINTENDENT
TARRANT ALABAMA
May 6 1955

Mr. A. G. Gaston
P. O. Box 2621
Birmingham Alabama

Dear Mr. Gaston:

In reply to your letter of May 2, 19 5, may I say that our students and teachers have enjoyed taking part in your State - Wide Spelling Bee. Apparent y many have increased their ability to spell, over and above what it was prior to their entering your contest. I think your work deserves great credit and certainly have you may continue same in the future.

Yours truly,

George A. Mitchell
George A. Mitchell
Superintendent

GAM:vg

Conecuh County Board of Education
OFFICE OF THE SUPERINTENDENT
Evergreen, Alabama

June 18, 1955

Mr. A. G. Gaston, President
Smith and Gaston Interests
Birmingham, Alabama

Dear Mr. Gaston:

I have your letter of June 14 concerning my reaction to your state wide spelling bee contest that has been held in our county for the past two years. I would like to say that I have been very favorably impressed in the interest shown by your company in promoting good spelling in our schools. I feel that the project has definitely stimulated interest in improvement of spelling throughout the state and I consider that you have done a worthy job in meeting such a project.

I hope the project will be continued during the coming years and we will be very happy to participate in the program. I speak on behalf of our board of education and the teachers of Conecuh County.

Yours very truly,

H. G. Pate
H. G. Pate, Superintendent

HGP/nlp

OPELIKA CITY SCHOOLS
T. H. KIRBY, SUPERINTENDENT
OPELIKA, ALA.

July 14, 1955

Mr. A. G. Gaston
P. O. Box 2621
Birmingham, Alabama

Dear Mr. Gaston:

I know of nothing that has stimulated more interest in spelling in Opelika than the Spelling Bee which you have sponsored. This year a student from our school won the state contest and I believe more interest will be evident for the new year. I hope you will find it possible to continue the project.

Yours truly,

T. H. Kirby
T. H. Kirby
Superintendent of City Schools

THK.sp

AUTAUGA COUNTY BOARD OF EDUCATION
P. G. HARDEN, SUPERINTENDENT
PRATTVILLE, ALABAMA

June 23, 1955

Mr. A. G. Gaston
Box 2621
Birmingham, Alabama

Dear Mr. Gaston:

This letter will acknowledge the receipt of your correspondence of June 14 regarding the value of the Spelling Bee.

I am of the opinion that the activity is worthwhile and I would like to see it continued in Autauga County. Should you continue to sponsor the activity, this office will encourage and support it in every way possible.

You are to be congratulated on contributing so much of your time and financial support in the interest of boys and girls.

Yours truly,

P. G. Harden
P. G. Harden,
Superintendent

PGH/eto

BOARD OF EDUCATION
CARL MORAN W. J. D. VICKERS
C. BAKER PINKSTON GRIFFIN HOWARD
BRUCE HARRIS

OFFICES
OLD GRAMMAR SCHOOL BUILDING
PHONE TA. 5-[illegible]

Tallapoosa County Schools

WOODROW W. WELDON, SUPERINTENDENT

Dadeville, Alabama

CENTENNIAL 100 PUBLIC SCHOOLS magic of the past - hope for the future

June 14- 1980

Mr. A. G. Gaston
P. O. Box 2621
B'ham, Ala.

Dear Sir:

In reply to your letter of June 13, regarding the A. G. Gaston Spelling Bee, I wish to say that in my opinion the Spelling Bee is a worth-while undertaking and means much to the youth of the state.

I really feel that it will take longer than ten years to determine the effectiveness

BOARD OF EDUCATION
CARL MORAN W. J. D. VICKERS
C. BAKER PINKSTON GRIFFIN HOWARD
BRUCE HARRIS

OFFICES
OLD GRAMMAR SCHOOL BUILDING
PHONE TA. 5-[illegible]

Tallapoosa County Schools

WOODROW W. WELDON, SUPERINTENDENT

Dadeville, Alabama

CENTENNIAL 100 PUBLIC SCHOOLS magic of the past - hope for the future

of the project

Yours truly,

Woodrow W. Weldon
Superintendent of Schools
Tallapoosa County

WWW/s

BOARD OF EDUCATION
OFFICE OF THE SUPERINTENDENT
BIRMINGHAM, ALA.

May 5, 1955

Mr. A. G. Gaston
505½ North 17th Street
Birmingham, Alabama

Dear Sir:

Thank you for sending me the copy of your "Championship Words" and thank you also for the good sponsorship which you have given to this Spelling Bee. In my opinion this is a fine thing for us to have. The sponsorship adds a great stimulus to it for teachers and pupils.

Mr. Moore of Lewis School got a good laugh from the teachers in making the announcement about it when he said that he did not quite catch the name of the school from which the winner came but urged everybody to come to the finals. He was exceedingly proud of his own pupil.

I appreciate your service on the Jefferson County Citizens Advisory Committee. In my opinion this is an important service for all of the children.

Very truly yours,

L. Fraser Banks

L. Fraser Banks

LFB:aa

CENTENNIAL 1955-56
100
PUBLIC SCHOOLS
magic of the past - hope for the future
Shelby County Board of Education
Columbiana, Alabama

June 17, 1955

Mr. A. G. Gaston, President
State-Wide Spelling Bee
Post Office Box 2621
Birmingham, Alabama

Dear Sir:

I have your letter of June 10 regarding the A. G. Gaston State-Wide Spelling Bee. There has been quite a bit of interest in the schools of our county in this contest. We should be happy to continue to cooperate and I am quite sure that the participants in this contest in our system get a great deal of benefit in the preparation for the Spelling-Bee.

Sincerely,

W. W. Elliott

W. W. Elliott,
Superintendent
Shelby County Schools

WWE/b

...ty Board of Education
Superintendent's Office
Troy, Alabama

May 11, 1955

Mr. A. G. Gaston, President
Smith & Gaston Interests
P. O. Box 2621
Birmingham, Alabama

Dear Mr. Gaston:

It has been a pleasure for our schools to participate in the A. G. Gaston State-Wide Spelling Bee. In my opinion, this project has many educational values. I trust that you will find it possible to continue the contest.

School Officials in the State are grateful to you for your contributions to education in the state.

Sincerely yours,

Roy E. Jeffcoat
Roy E. Jeffcoat
Superintendent

REJ/eht

DeKalb County Board of Education
J. WILEY HONEA, SUPERINTENDENT
Fort Payne, Alabama

May 5, 1955

Mr. A. G. Gaston, President
Smith and Gaston Company
P. O. Box 2621
Birmingham, Alabama

Dear Mr. Gaston:

In reply to your letter of May 2, concerning the A. G. Gaston State Wide Spelling Bee. I would like to heartily endorse your program and commend your company for the interest they are showing in our schools. Every encouragement to promote better spelling in our schools is worth the time and effort. Also every interest shown to promote our public schools is appreciated. I would like to encourage your continued interest in our schools and also encourage the continuance of your State Wide Spelling Bee.

Yours very truly,

J. Wiley Honea
mc.
J. Wiley Honea
Superintendent

JWH/mc

LANETT CITY SCHOOL

J. T. GREENE, Superintendent

LANETT, ALABAMA

JUNE
16th
1955

A. G. Gaston, President
A. G. Gaston State-Wide Spelling Bee
P. O. Box 2621
Birmingham, Alabama.

Dear Sir:

In reply to your inquiry about our reaction to the A. G. Gaston State-Wide Spelling Bee I should like to say that we will be happy to continue to cooperate with your program. It is hard to tell just what benefits are derived from such a project but we would usually assume that a project of this sort would stimulate greater interest in spelling. At least we hope that this is true. I guess thattime will tell as to its real value. For the time being we will be happy to continue to support it.

Sincerely yours,

J. T. Greene

J. T. Greene
Superintendent

JTG-rsl

BOARD MEMBERS
W. W. BEASLEY, CARROLLTON
R. J. KIRKSEY, ALICEVILLE
G. L. BROWN, GORDO
W. M. COOPER, ETHELSVILLE
L. D. VAIL, REFORM

Pickens County Board of Education

Carrollton, Alabama

I. C. KUYKENDALL, SUPERINTENDENT
MRS. LOUISE B. BURROWS, CUSTODIAN OF SCHOOL FUNDS AND BOOKKEEPER
MRS. JULIA D. THORNTON, SECRETARY

June 11, 1955

Mr. A. G. Gaston, President
Smith and Gaston Interest
State Wide Spelling Bee
Birmingham, Alabama

Dear Mr. Gaston:

You are to be commended for your interest in the State-wide Spelling Bee. This project has been very well received in this county. I think it has been a stimulate to the children in learning how to spell difficult words. It is hoped that you may continue to sponsor the State-wide Spelling Bee.

Yours very truly,

I. C Kuykendall

I. C. Kuykendall
Superintendent

ICK:jt

W. D. POLMAR, CHAIRMAN
BROOKS GREEN

UM
OF EDUCATION
COUNTY
TROY, ALABAMA

C. A. ANDERSON
GEORGE YOUNGBLOOD
L. E. RAY

June 21, 1955

Mr. A. G. Gaston
Birmingham, Alabama

Dear Mr. Gaston:

I wish to express to you my appreciation for the fine work you are doing in sponsoring the A.G. Gaston state-wide spelling Bee.

In my opinion you are rendering a real service to the school children of Alabama. I sincerely hope you find it possible to continue the project. I commend you for your civic interest.

Very truly yours,

L D Bynum

L. D. Bynum, Supt.
Pike County Schools

LEE COUNTY BOARD OF EDUCATION
SUPERINTENDENT'S OFFICE
OPELIKA, ALABAMA

June 18, 1955.

Smith and Gaston Interest
State-Wide Spelling Bee
Birmingham, Alabama.

Gentlemen:

This is to advise that our schools enjoyed participating in the A. G. Gaston Spelling Bee, and we feel that good was accomplished as result of this participation. We shall be pleased if the State-wide Spelling Bee is continued.

Yours very truly,

V. C. Helms

V. C. Helms
Superintendent.
J

Bullock County Board of Education

Union Springs, Alabama

June 18, 1955

MEMBERS OF BOARD
GEO. M. ADAMS, CHAIRMAN, UNION SPRINGS, RT. 3
J. B. POWELL, VICE-CHAIRMAN, UNION SPRINGS
DR. N. A. STAPLES, UNION SPRINGS
HUGH B. TOMPKINS, FITZPATRICK
J. H. CAYLOR, UNION SPRINGS, RT. 1

R. J. LAWRENCE
SUPERINTENDENT
CECIL E. McNAIR
ASSISTANT SUPERINTENDENT
MRS. SARA M. HIXON
CUSTODIAN OF PUBLIC SCHOOL FUNDS AND OFFICE ASSISTANT
MRS. MILDRED GREEN,
SECRETARY

President A. G. Gaston
State-Wide Spelling Bee
Birmingham, Alabama

Dear President Gaston:

I want to apologize to you for not answering your letter of May 2, 1955. It must have been misplaced.

We were glad to participate in the Spelling Bee sponsored by Smith and Gaston Interest, and we feel that it was helpful to our students.

I would like to make this suggestion; let a good part of the Spelling Bee be written spelling. I feel that this is much better than oral spelling because people need to spell only when they write.

I have found that many people can spell a word orally, but they will misspell the same word when they write it.

Thanking you for your interest in the boys and girls of Bullock County, I am

Yours truly,

R. J. Lawrence

R. J. Lawrence
County Superintendent

RJL:mg

Sumter County Board of Education

OFFICE OF THE SUPERINTENDENT

Livingston, Alabama

May 5, 1955

President A. G. Gaston
Smith & Gaston Interest
P. O. Box 2621
Birmingham, Alabama

Dear Sir:

The negro teachers of Sumter County have shown considerable enthusiasm over the A. G. Gaston Spelling Bee. Practically all of the schools of the County participated in the county contest, and a number of our teachers visited the District Contest.

Supervisors and teachers are positive in their declaration that pupil interest in spelling is much greater now as a direct result of your plan. My own observations bear this out.

I feel that the Spelling Bee is a most worthwhile undertaking and I hope that it will be continued.

Very truly yours,

Elgin W. Mellown

Elgin W. Mellown
Superintendent

EWM/ed

OFFICE OF SUPERINTENDENT

County Board of Education
ST. CLAIR COUNTY
ASHVILLE, ALABAMA

June 13, 1955

Mr. A. G. Gaston, President
Smith and Gaston Interests
Box 2621
Birmingham, Alabama

Dear Mr. Gaston:

There was some interest shown in the Spelling Bee promoted during the past school year. In our opinion by enlisting all the schools in the county greater good will be realized. Our supervisor, Mrs. Rheutelia G. Oliver, is interested in the work, and with her continued assistance greater participation will be realized next year.

The majority of the teachers seem to be interested in the Spelling Bee.

Yours very truly,

Roy Gibson

Roy Gibson
Superintendent

RG:nt

DIAL 8-4272

Phenix City Elementary-Junior High School
1502 - 11th Avenue
PHENIX CITY ALABAMA

May 11, 1955

Mr. A. G. Gaston, President
A. G. Gaston Spelling Bee
Post Office Box 2621
Birmingham, Alabama

Dear Mr. Gaston:

Your letter concerning the educational effects of the A. G. Gaston Spelling Bee was duly received in the office of the Acting Superintendent, Mr. W. F. Darnell. Our regular superintendent, Mr. L. P. Stough, passed on April 26; therefore, Mr. Darnell has requested that I answer your letter.

In reply to your letter, we will say that the spelling bee here went over in a big way. We were able to send a contestant to the regional spelling bee in Tuskegee. This young boy made a very fine showing. We think that the spelling bee did quite a bit of good in stimulating the students of the various schools in the Phenix City System to become better spellers.

We are all looking forward to taking part in the spelling bee next school term.

Very sincerely yours,

Susie E. Allen

(Miss) S. E. Allen, Principal

W. F. Darnell

Mr. W. F. Darnell, Actg. Supt.

BOARD OF EDUCATION
CHOCTAW COUNTY
J. O. BUSH, SUPERINTENDENT
REGULAR MEETINGS
LAST FRIDAY IN FEBRUARY, MAY, SEPTEMBER AND NOVEMBER AND 2ND TUESDAY IN MAY.
BUTLER, ALABAMA

June 15, 1955

Smith and Gaston Interest
P. O. Box 2621
Birmingham, Alabama

Dear Sirs:

I cannot find your letter of May 2, 1955, requesting comments on future of Spelling Bee Program. I am of the opinion this is a good program and it improves spelling in that an interest is created in spelling. I beiive we have been participating each year and I suggest we continue. I am sorry that I am unable to find your letter.

Yours truly,
J. O. Bush
J. O. Bush
Supt. Education

Tuscaloosa County Board of Education
P. O. Drawer 383
Tuscaloosa, Alabama

Office of Superintendent
Telephone 8-0467

May 7, 1955

Mr. A.G. Gaston, President
Smith and Gaston Interest
Box 2621
Birmingham, Alabama

Dear Mr. Gaston:

Your letter of May 2 regarding the Spelling Bee has been received.

We have participated in the A.G. Gaston State Wide Spelling Bee because we believe that it is helping our students to develop a keener desire to become good spellers.

We expect to continue with the program in the County.

Sincerely yours,
Kermit Johnson
K.A. Johnson
Superintendent

KAJ:dmk

cc: Mrs. Carolyn Watts

EXHIBIT C

[December 27, 1962]

EDWARD L. BLUE NAMED SENIOR BANK EXAMINER

The appointment of Edward L. Blue of 163 Ivy Street, East Providence, as a senior bank examiner in the State banking division, effective today, was announced this morning by Harold C. Arcaro, State director of business regulation.

The appointment filled a vacancy that had existed for the last year and results from the recent death of John Keenan, who had been acting securities commissioner, Mr. Arcaro said.

Mr. Blue has been a senior field examiner in the tax division of the department of employment security since April 1956. Before that he was employed for 20 months in the State bureau of audits, coming to that position from a job as accountant in an insurance firm.

Mr. Arcaro said that Mr. Blue was near the top of a civil service list for bank examiner and was interviewed for the appointment last January but declined the job at that time. Donald D'Avanzo then was appointed a chief bank examiner on January 21.

After Mr. Keenan became acting securities commissioner, technically on leave from his job as principal bank examiner, Mr. D'Avanzo was elevated to principal examiner last February 18, but the lower grade of chief examiner was held vacant for him to return to if there were a change in the securities job, Mr. Arcaro said.

Since Mr. Keenan's death, Mr. D'Avanzo has become a permanent appointee as principal examiner and this reopened the job as senior examiner, which Mr. Blue has now accepted.

Mr. Blue is 37 years old, is married and has two children. He received a diploma from the Booker T. Washington Business College in Birmingham, Ala., in 1949 and was graduated with a B.S. degree from Bryant College in 1952.

Mr. SNEDEN. We also have an appendix here which we would like to introduce.

Senator MORSE. It will be retained in the files of the subcommittee for our reference.

(The documents referred to may be found in the files of the subcommittee.)

Mr. SNEDEN. I would also like to introduce for the record a recently published book written by Dr. Jay W. Miller. The title is "The Independent Business School in American Education".

Senator MORSE. Mr. Miller's book will be received as an appendix to the record. It will not be made a part of the transcript but will be available to the members of the committee for its executive session discussions.

Mr. SNEDEN. I would like to present first of all our statement of position.

I represent a much lesser known segment of higher education than those who preceded me, but it is nonetheless an important part of national educational effort. We are very much interested in this legislation, and would like to record our feelings about it.

The purposes of this statement are, first, to express our support for the principle advocated by Senator Vance Hartke, of Indiana, who, through S. 2490, would expand title II of the National Defense Education Act loan program to include students in terminal programs of less than a bachelor's degree objective.

Second, to voice our deep concern for the needy students in the 216 accredited business schools and colleges who would continue to be excluded from the benefits of the title II student loan program because of the five provisions of section 103(b) which define and restrict the term "institution of higher education."

Three, to earnestly suggest an alternative approach to the redefinition of the term "institution of higher education" in section 103(b) to accomplish an effective expansion of the student loan program to include the worthy young people enrolled in the educational programs leading to jobs as automatic data processors, machine accountants, computer technicians, or technical secretaries to physicians, scientists, and engineers.

Four, to respectfully direct your attention to section 101 of H.R. 9846, in favor of which we have given testimony, which would open effectively the student loan program by striking clauses (3) and (4) from the second sentence of section 103(b) as these clauses apply to business schools and technical institutes.

We would like to introduce H.R. 9846 into the record.

Senator MORSE. It will be received into the record. This is a proposed amendment?

Mr. SNEDEN. Yes.

Senator MORSE. The amendment will be inserted in the record at this point.

(H.R. 9846 follows:)

88TH CONGRESS
2D SESSION

H. R. 9846

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 1, 1964

Mrs. GREEN introduced the following bill; which was referred to the Committee on Education and Labor

A BILL

To amend and extend the National Defense Education Act of 1958.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Defense Education Act Amendments, 1964".

TITLE I—AMENDMENT OF TITLE I

BUSINESS SCHOOLS AND TECHNICAL INSTITUTIONS

SEC. 101. The second sentence of section 103 (b) of the National Defense Education Act of 1958 is amended by striking out "private" and by striking out "(3), (4),".

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TITLE II—AMENDMENT OF TITLE II

APPROPRIATIONS AUTHORIZED

SEC. 201. The first sentence of section 201 of the National Defense Education Act of 1958 is amended by striking out "and $135,000,000 for the fiscal year ending June 30, 1965, and such sums for the fiscal year ending June 30, 1966, and each of the next three fiscal years as may be necessary to enable students who have received loans for school years ending prior to July 1, 1965, to continue or complete their education" and inserting in lieu thereof "$150,000,000 for the fiscal year ending June 30, 1965, and each of the two succeeding fiscal years, and such sums for the fiscal year ending June 30, 1968, and each of the next three fiscal years as may be necessary to enable students who have received loans for school years ending prior to July 1, 1967, to continue or complete their education".

ALLOTMENTS TO STATES

SEC. 202. Section 202 of the National Defense Education Act of 1958 (20 U.S.C. 422) is amended by striking out "1965" wherever it appears therein and inserting in lieu thereof "1967".

PAYMENT OF FEDERAL CAPITAL CONTRIBUTIONS

SEC. 203. Effective with respect to fiscal years beginning after June 30, 1964, section 203 of the National Defense Education Act of 1958 is further amended by striking out subsection (b) and by striking out "(a)" after "Sec. 203.".

CONDITIONS OF AGREEMENTS

Sec. 204. (a) Paragraph (4) of section 204 of the National Defense Education Act of 1958 is amended to read as follows:

"(4) provide that in the selection of students to receive loans from such student loan fund special consideration shall be given to students with a superior academic background who express a desire to teach in elementary or secondary schools or in institutions of higher education;".

(b) The amendment made by subsection (a) of this section shall apply to the selection of students under title II of the National Defense Education Act of 1958 made in or after the second month following the month in which this Act is enacted.

TERMS OF LOANS

Sec. 205. (a) Subsection (a) of section 205 of the National Defense Education Act of 1958 is amended to read as follows:

"(a) The total of the loans for any academic year or its equivalent, as determined under regulations of the Commissioner, made by institutions of higher education from loan funds established pursuant to agreements under this title may not exceed $2,500 in the case of any graduate or professional student (as defined in regulations of the Commissioner), may not exceed the tuition and fees charged by the institution in the case of a business school or technical institution referred to in the second sentence of section 103 (b), or may not exceed $1,000 in the case of any other student. The aggregate of the loans for all years from such funds may not exceed $10,000 in the case of any graduate or professional student (as so defined, and including any loans from such funds made to such person before he became a graduate or professional student), or $5,000 in the case of any other student."

(b) (1) Subparagraph (1) (C) of subsection (b) of such section 205 is amended by striking out "either as an undergraduate or graduate student" and inserting in lieu thereof "as an undergraduate, graduate, or professional student".

(2) Paragraph (2) of such subsection (b) of such section 205 is amended by striking out "and (D)" and inserting in lieu thereof the following: "(D) the institution may provide that interest shall not accrue on such a loan, and periodic installments need not be paid, during any period, not in excess of three years, during which the borrower is in part-time attendance at an institution of higher education

taking courses for which the institution which made the loan will give credit toward a degree, and may also provide that any such period shall not be included in determining the ten-year period during which the repayment must be completed, and (E)".

(3) Subparagraph (3) of such subsection (b) of such section 205 is amended by inserting "or nonprofit private" after "public" and by inserting after "State" the following: ", in an institution of higher education,".

(c) The amendment made by subsection (a) shall apply for purposes of determining the amount of any loans under title II of the National Defense Education Act of 1958 for academic years beginning after the date of enactment of this Act. The amendment made by paragraph (2) of subsection (b) shall apply to any loan (under an agreement under title II of the National Defense Education Act of 1958) outstanding on the date of enactment of this Act only with the consent of the institution which made the loan. The amendment made by paragraph (3) of subsection (b) shall apply with respect to service as a teacher (described in section 205(b)(3) of the National Defense Education Act of 1958) performed during academic years beginning after the enactment of this Act, whether the loan was made before or after such enactment.

DISTRIBUTION OF ASSETS FROM STUDENT LOAN FUNDS

SEC. 206. Section 206 of the National Defense Education Act of 1958 (20 U.S.C. 426) is amended by striking out "1969" wherever it appears therein and inserting in lieu thereof "1971".

COORDINATION OF STUDENT LOAN PROGRAMS

SEC. 207. (a) The amendment made by subsection (b) is enacted by the Congress in recognition of the fact that good administration requires that, in administering federally assisted student-loan programs, the institutions of higher education should not be required to deal with more than one Federal agency, and that such programs should be administered in as nearly uniform a manner as is reasonably practicable.

(b) Section 209 of the National Defense Education Act of 1958 is amended by redesignating subsections (a) and (b) as "(f)" and "(g)", respectively, and by inserting immediately after "SEC. 209." the following:

"(a) The Secretary shall vest responsibility for the administration of all student-loan programs carried on, or assisted, by the Department of Health, Education, and Welfare in a single officer of such Department.

"(b) The maximum loan which may be made during an academic year, or its equivalent, to a graduate or professional student under any student-loan program carried on or assisted by any department or agency of the United States shall, notwithstanding any other provision of law, be $2,500.

"(c) After June 30, 1965, except as provided in subsection (d), no institution of higher education may participate in more than one student-loan program carried on or assisted by the Department of Health, Education, and Welfare.

"(d) An institution of higher education may, upon notice to the Secretary, discontinue its participation in any student-loan program carried on or assisted by the Department of Health, Education, and Welfare in preparation for beginning its participation in a different student-loan program. The Secretary shall provide by regulations (which shall be binding on the institution) for the discontinuation of such student-loan program upon the receipt of such notice and for the distribution of the assets of the student-loan fund thereof. Such regulations shall provide—

"(1) that the discontinuation of the program and the distribution of assets from the student-loan fund will be carried on at a rate, and in a manner, which will insure that students who received loans under the program to be discontinued, will be able to receive such loans under such program as may be necessary to enable them to continue or complete their education, and

"(2) that the assets of the student-loan fund, and repayments of loans made therefrom, will be equitably divided between the institution of higher education and the United States.

"(e) If, on the date of enactment of the National Defense Education Act Amendments, 1964, an institution of higher education is participating in a student-loan program both under this Act and under another Act, it shall notify the Secretary before July 1, 1965, as to which of such student-loan programs it elects to participate in in the future. Thereupon the Secretary shall provide for the discontinuance of the other student-loan program (and the distribution of its student-loan fund) in the same manner as provided for discontinuance of student-loan programs (and distribution of their student-loan funds) under the preceding subsections."

TITLE III—AMENDMENTS OF TITLE III

APPROPRIATIONS AUTHORIZED

SEC. 301. Section 301 of the National Defense Education Act of 1958 is amended to read as follows:

"APPROPRIATIONS AUTHORIZED

"SEC. 301. There are hereby authorized to be appropriated $70,000,000 for the fiscal year ending June 30, 1959, and for each of the eight succeeding fiscal years, for (1) making payments to State educational agencies under this title for the acquisition of equipment (suitable for use in providing education in science, mathematics, history, geography, and modern language), but excluding supplies which are consumed in use, and for minor remodeling described in paragraph (1) of section 303 (a), and (2) making loans authorized in section 305. There are also authorized to be appropriated $5,000,000 for the fiscal year ending June 30, 1959, and each of the eight succeeding fiscal years for making payments to State educational agencies under this title to carry out the programs described in paragraph (5) of section 303 (a)."

ALLOTMENTS TO STATES

SEC. 302. (a) The second sentence of subsection (a) (2) of section 302 of the National Defense Education Act of 1958 is amended by striking out "as soon as possible after the enactment of this Act, and again between July 1 and August 31 of 1959" and inserting in lieu thereof "between July 1 and August 31 of each odd-numbered year".

(b) The third sentence of such subsection is amended to read as follows: "Each such promulgation shall be conclusive for each of the two fiscal years in the period July 1 next succeeding such promulgation, except that the ratios promulgated in 1959 shall be conclusive for each of the five fiscal years in the period beginning July 1, 1960, and ending June 30, 1965."

STATE PLANS

SEC. 303. (a) Clause (A) of section 303 (a) (1) of the National Defense Education Act of 1958 is amended to read as follows: "(A) acquisition of laboratory and other special equipment (other than supplies consumed in use), including audiovisual materials and equipment and printed and published materials (other than textbooks), suitable for use in providing education in science, mathematics, history, geography, modern foreign language, or the English language for students whose primary language is not English, in public elementary or secondary schools, or both, and of testgrading equipment for such schools and specialized equipment for audiovisual libraries serving such schools, and".

(b) Paragraph (5) of section 303 (a) is amended by striking out "and modern foreign languages" and inserting in lieu thereof "history, geography, modern foreign languages, and the English language for students whose primary language is not English".

PAYMENTS TO STATES

SEC. 304. The second sentence of subsection (b) of section 304 of such Act is amended by striking out "five" and inserting in lieu thereof "seven".

TITLE IV—FELLOWSHIPS

SEC. 401. Effective July 1, 1964, section 402 (a) of the National Defense Education Act of 1958 is amended to read as follows:

"NUMBER OF FELLOWSHIPS

"SEC. 402. (a) During the fiscal year ending June 30, 1965, the Commissioner is authorized to award not to exceed five thousand fellowships to be used for study in graduate programs at institutions of higher education, during the fiscal year ending June 30, 1966, he is authorized to award not to exceed seven thousand five hundred such fellowships, and during the fiscal year ending June 30, 1967, he is authorized to award not to exceed ten thousand such fellowships. Such fellowships may be awarded for such period of study as the Commissioner may determine, but not in excess of three academic years, except that where a fellowship holder pursues his studies as a regularly enrolled student at the institution during periods outside the regular sessions of the graduate program of the institution, a fellowship may be awarded for a period not in excess of three calendar years."

AWARD OF FELLOWSHIPS AND APPROVAL OF INSTITUTIONS

SEC. 402. (a) The first sentence of subsection (a) of section 403 of the National Defense Education Act of 1958 is amended to read as follows: "Of the total number of fellowships authorized by section 402 (a) to be awarded during a fiscal year (1) not less than one thousand five hundred shall be awarded to individuals accepted for study in graduate programs approved by the Commissioner under this section, and (2) the remainder shall be awarded on such bases as he may determine. The second sentence of subsection (a) of such section is amended by striking out ", and" at the end of clause (2) and inserting in lieu thereof a period, and by striking out clause (3) thereof.

(b) Section 403 of such Act is further amended by adding at the end thereof the following new subsections:

"(c) In the selection of recipients for fellowships under this title, preference shall be given to persons who are interested in teaching, or continuing to teach, in institutions of higher education and are pursuing a course of study leading to a degree of doctor of philosophy or an equivalent degree.

"(d) No fellowships shall be awarded under this title for study at a school or department of divinity or religion, or awarded to an individual for study in religious or theological subjects."

(c) The amendments made by this section shall become effective July 1, 1964.

FELLOWSHIP STIPENDS

SEC. 403. Section 404(a) of the National Defense Education Act of 1958 is amended by adding at the end thereof the following: "Where a person awarded a fellowship under this title for study at an institution of higher education pursues his studies as a regularly enrolled student at such institution during periods outside of the regular sessions of the graduate program of the institution, the Commissioner may make appropriate adjustments in his stipends and allowances for dependents."

TITLE V—GUIDANCE, COUNSELING, AND TESTING; IDENTIFICATION AND ENCOURAGEMENT OF ABLE STUDENTS

APPROPRIATIONS AUTHORIZED

SEC. 501. Section 501 of the National Defense Education Act of 1958 is amended by striking out "the succeeding fiscal year" and inserting in lieu thereof "each of the three succeeding fiscal years".

STATE PLANS

SEC. 502. Paragraphs (1) and (2) of section 503 (a) of the National Defense Education Act of 1958 are amended to read as follows:

"(1) a program for testing students in the public elementary and secondary schools of such State or in the public junior colleges and technical institutes of such State, and, if authorized by law, in other elementary and secondary schools and in other junior colleges and technical institutes in such State, to identify students with outstanding aptitudes and ability, and the means of testing which will be authorized in carrying out such program; and

"(2) a program of guidance and counseling in the public elementary or secondary schools or public junior colleges or technical institutes of such State (A) to advise students of courses of study best suited to their ability, aptitudes, and skills, (B) to advise students in their decisions as to the type of educational program they should pursue, the vocation they should train for and enter, and the job opportunities in the various fields, and (C) to encourage students with outstanding aptitudes and ability to complete their secondary school education, take the necessary courses for admission to institutions of higher education, and enter such institutions."

PAYMENTS TO STATES

SEC. 503. (a) Section 504 (a) of the National Defense Education Act of 1958 is amended by striking out "five" and inserting in lieu thereof "seven".

(b) Section 504 (b) of such Act is amended by striking out ", who are not below grade 7,", and by striking out "six" and inserting in lieu thereof "eight".

JUNIOR COLLEGES AND TECHNICAL INSTITUTES

SEC. 504. Title V of the National Defense Education Act of 1958 is amended by inserting after section 504 the following new section:

"DEFINITIONS

"SEC. 505. For purposes of this title, the term 'junior colleges or technical institutes' means institutions of higher education which are organized and administered principally to provide a two-year program which is acceptable for full credit toward a bachelor's degree or a two-year program in engineering, mathematics, or the physical or biological sciences which is designed to prepare the student to work as a technician and at a semiprofessional level in engineering, scientific, or other technological fields which require the understanding and application of basic engineering, scientific, or mathematical principles or knowledge, and, if a branch of an institution of higher education offering four or more years of higher education, is located in a community different from that in which its parent institution is located."

REPEALER

SEC. 505. Title V of the National Defense Education Act of 1958 is amended by striking out the heading "Part A—State Programs", and by striking out part B thereof.

TECHNICAL AMENDMENT

SEC. 506. Sections 501, 503, and 504 of the National Defense Education Act of 1958 are each amended by striking out "part" and inserting in lieu thereof "title".

TITLE VI—LANGUAGE DEVELOPMENT

EXTENSION OF TITLE

SEC. 601. (a) Section 601 of the National Defense Education Act of 1958 is amended by striking out "1965" wherever it appears therein and inserting in lieu thereof "1967".

(b) Section 603 of such Act is amended by striking out "part" and inserting in lieu thereof "title".

REPEALER

SEC. 602. Effective July 1, 1964, title VI of the National Defense Education Act of 1958 is amended by striking out the center heading "Part A—Centers and Research and Studies" and by striking out part B thereof.

TITLE VII—UTILIZATION OF TELEVISION, RADIO, MOTION PICTURES, AND RELATED MEDIA FOR EDUCATIONAL PURPOSES

EXTENSION OF PROGRAM

SEC. 701. Section 763 of the National Defense Education Act of 1958 is amended by striking out "six succeeding fiscal years" and inserting in lieu thereof "eight succeeding fiscal years".

TITLE VIII—MISCELLANEOUS

STATE ADMINISTRATION

SEC. 801. (a) Subparagraph (2) of section 1004 (a) of the National Defense Education Act of 1958 is amended by inserting before the semicolon "and will keep such records

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and afford such access thereto as the Commissioner may find necessary to assure the correctness and verifications of such reports".

(b) Subparagraph (3) of such section 1004 (a) is amended by inserting before the period at the end thereof "(including such funds paid by the State to the local educational agencies)".

EXTENSION OF STATISTICAL SERVICES PROGRAM

SEC. 802. Section 1009 (a) of the National Defense Education Act of 1958 is amended by striking out "six" and inserting in lieu thereof "eight".

TITLE IX—ADDITIONAL TITLES

SEC. 901. (a) The National Defense Education Act of 1958 is amended by adding at the end thereof the following new titles:

"TITLE XI—INSTITUTES

"AUTHORIZATION OF INSTITUTES

"SEC. 1101. There are authorized to be appropriated $20,000,000 for the fiscal year ending June 30, 1965, and each of the two succeeding fiscal years, to enable the Commissioner to arrange, through grants or contracts, with colleges and universities for the operation by them of short-term regular session institutes for advanced study, including study in the use of new materials, to improve the qualification of individuals—

"(1) who are engaged, or are teachers preparing to engage, in the elementary or secondary schools or in institutions of higher education, or technical institutes, as counseling and guidance personnel, or

"(2) who are engaged in or preparing to engage in the teaching, or supervising or training of teachers, of history, geography, modern foreign languages, or English when taught to persons for whom English is a secondary language, in elementary or secondary schools or in institutions of higher education, or technical institutes.

"STIPENDS

"SEC. 1102. Each individual who attends an institute operated under the provisions of this title shall be eligible (after application therefor) to receive a stipend at the rate of $75 per week for the period of his attendance at such institute, and each such individual with one or more dependents shall receive an additional stipend at the rate of $15 per week for each such dependent.

"TITLE XII—ASSISTANCE FOR PERSONS BEARING EXPENSES OF HIGHER EDUCATION

"SEC. 1210. (a) Where a student pursues a program of education for credit at an institution of higher education, the educational expenses borne by him, his spouse, or his parent shall be deductible from the gross income of the persons bearing such expenses for purposes of computing their Federal income tax.

"(b) For purposes of subsection (a), the educational expenses of a person shall include only the tuition and fees required by the institution of higher education for his enrollment or matriculation and the cost of books, supplies, and equipment required by such institution for any course of instruction undertaken by him, except that such expenses shall not exceed the rate of $1,000 for any student for any academic year and shall be reduced by any amount received by the student as a scholarship or fellowship or as an allowance under chapter 33 or 35 of title 38 of the United States Code.

"TITLE XIII—CAPITOL PAGE SCHOOL

"Sec. 1301. (a) There is hereby created a Capitol Page Facilities Board (hereinafter referred to as the 'Board'), which shall be composed of two Senators, to be appointed by the President pro tempore of the Senate, two Members of the House of Representatives, to be appointed by the Speaker, and one Justice of the Supreme Court to be appointed by the Chief Justice of the United States. One of the members of the Board shall be a member of the Committee on Labor and Public Welfare of the Senate, and one of the members shall be a member of the Committee on Education and Labor of the House of Representatives.

"(b) The Board is authorized and directed to provide for the construction of a Capitol Page School located as near as practicable to the Capitol, which will offer residence, educational, dining, recreational, and physical training facilities for pages employed by the Senate, the House of Representatives, and the Supreme Court.

"(c) The Board shall appoint one or more persons of mature years to be responsible for the maintenance of the Capitol Page School and the operation of the residential, dining, and recreational facilities of such school, under rules made by the Board.

"(d) (1) Each page employed by the Senate, the House of Representatives, or the Supreme Court shall be required to reside at the Capitol Page School while the Senate, the House of Representatives, or the Supreme Court, as the case may be, is in session and during all periods when he is entitled to receive compensation as a page, unless he is authorized by the Board to reside elsewhere.

"(2) Any page employed by the Senate, the House of Representatives, or the Supreme Court, may, with the approval of the Board, reside at the Capitol Page School during such times as the Senate, the House of Representatives, or the Supreme Court, as the case may be, is in recess or adjournment, if he was entitled to reside at such school during the session of the Senate, the House, or the Supreme

Court immediately preceding such recess or adjournment or if he has been appointed as a page subsequent to the end of such session.

"(e) The Board shall establish such rates and fees for residing at the Capitol Page School as it deems necessary.

"(f) (1) There are authorized to be appropriated such sums as may be necessary for the construction and maintenance of the Capitol Page School.

"(2) There are authorized to be appropriated such funds as may be necessary for the operation of the residential, dining, and recreational facilities of the Capitol Page School, to be disbursed by the Secretary of the Senate on vouchers signed by a member of the Board designated by it for such purpose."

(b) The amendments made by this title shall become effective July 1, 1964.

Mr. SNEDEN. Five, to sincerely recommend a more inclusive definition of "eligible lender," for the part C—insured loan program—of S. 2490, which closely resembles H.R. 10224 that does contain more inclusive definitions of "eligible institution" and "eligible lender" to establish a National Student Loan Insurance Act.

I request that H.R. 10224 be introduced into the record.

Senator MORSE. That bill will be inserted in the record at this time.

Is the insertion H.R. 10224 or your proposed amendment to this bill?

Mr. SNEDEN. H.R. 10224.

Senator MORSE. That is the insertion?

Mr. SNEDEN. Yes, sir.

Senator MORSE. H.R. 10224 will be inserted in the record at this point.

(H.R. 10224 follows:)

88TH CONGRESS
2D SESSION

H. R. 10224

IN THE HOUSE OF REPRESENTATIVES

MARCH 3, 1964

Mr. DENT introduced the following bill; which was referred to the Committee on Education and Labor

A BILL

To establish a system of loan insurance to assist students to attend institutions of higher education and postsecondary vocational schools.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Student Loan Insurance Act of 1964".

SCOPE AND DURATION OF LOAN INSURANCE PROGRAM

SEC. 2. (a) For the purpose of facilitating loans to students in eligible institutions (as defined in section 10), eligible lenders (as defined therein) may be insured by the Commissioner, on behalf of the United States, against losses on loans made by them to such students, on or after July 1, 1964, if made upon the conditions and within the limits specified in this Act. The total principal amount of new loans to students covered by insurance under this Act shall not exceed $25,000,000 in the fiscal year ending June 30, 1965, $50,000,000 in the fiscal year ending June 30, 1966, and $75,000,000 in the fiscal year ending June 30, 1967. Thereafter, insurance pursuant to this Act may be granted only for loans made (or for loan installments paid pursuant to lines of credit as defined in section 10) to enable students, who have obtained prior loans insured under this Act, to continue or complete their educational program; but no insurance may be granted for any such loan made or installment paid after June 30, 1971.

(b) The Commissioner may, if he finds it necessary to do so in order to assure an equitable distribution of the benefits of this Act, assign, within the maximum amounts specified in subsection (a), insurance quotas applicable to eligible lenders, or to States or areas, and may from time to time reassign unused portions of such quotas.

LIMITATIONS ON INDIVIDUAL LOANS AND ON INSURANCE

SEC. 3. (a) No loan or loans by one or more eligible lenders in excess of $2,000 in the aggregate to any student in any academic year or its equivalent shall be covered by insurance under this Act, and the aggregate insured unpaid principal amount of all loans made to any student shall not exceed

$10,000 at any time. The annual insurable limit per student shall not be deemed to be exceeded by a line of credit under which actual payments by the lender to the borrower will not be made in any year in excess of such annual limit.

(b) The insurance liability on any loan insured under this Act shall be limited to 90 per centum of the unpaid balance of such loan, including 90 per centum of the interest accrued and unpaid.

SOURCES OF FUNDS

SEC. 4. Loans made by eligible lenders in accordance with this Act shall be insurable whether made from funds fully owned by the lender or from funds held by the lender in a trust or similar capacity and available for such loans.

ELIGIBILITY OF STUDENT BORROWERS AND TERMS OF STUDENT LOANS

SEC. 5. A loan by an eligible lender shall be insurable under the provisions of this Act only if—

(a) made to a student who has been accepted for enrollment as a full-time student at an eligible institution or, in the case of a student already attending such institution, is in good standing and in full-time attendance there as determined by the institution, and

(b) evidenced by a note or other written agreement which (1) is made without security and without endorsement, except that if the borrower is a minor and

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such note or other written agreement executed by him would not, under the applicable law, create a binding obligation, endorsement may be required, (2) provides for repayment of the principal amount of such loan in installments over a ten-year period (or such other period as may be authorized by regulation of the Commissioner) beginning (except in the event of default in the payment of interest or in payment of the cost of insurance premiums, or other default by the borrower) (A) not earlier than one year following the date on which the student ceases to devote essentially full time to educational work in attendance at any eligible institution, or (B) if sooner, and if agreed upon between the borrower and the lender, not earlier than one year following the date on which the student completes or ceases to pursue the full-time study program in which he was enrolled or had been accepted for enrollment, (3) provides for interest on the unpaid balance of such loan at a yearly rate, not exceeding the applicable maximum rate as prescribed and defined by the Commissioner by or pursuant to regulation, which shall be payable in installments over the period of the loan except that, if provided in the note or other written agreement, payment of interest may be deferred until not later than the date upon which repayment of the first installment of principal falls due, in which case interest that has accrued during such period may be added on that date to the principal, (4) entitle the student borrower to accelerate repayment of the whole or any part of such loan, and (5) contains such other terms and conditions, consistent with the provisions of this Act and with the regulations issued by the Commissioner pursuant to this Act, as may be agreed upon by the parties to such loan, including, if agreed upon, a provision requiring the borrower to pay to the lender, in addition to principal and interest, amounts equal to the insurance premiums payable by the lender to the Commissioner with respect to such loan.

CERTIFICATES OF INSURANCE—EFFECTIVE DATE OF INSURANCE—PREMIUMS

SEC. 6. (a) (1) If, upon application by an eligible lender, made upon such form, containing such information, and supported by such evidence as the Commissioner may require, and otherwise in conformity with this section, the Commissioner finds that the applicant has made a loan to an eligible student which is insurable under the provisions of this Act, he may, upon tender by the applicant of the first year's insurance premium payable pursuant to subsection (c), issue to such applicant a certificate of insurance covering such loan and setting forth the amount and terms of such insurance.

(2) Insurance evidenced by a certificate of insurance pursuant to subsection (a) (1) shall become effective upon the date of issuance of such certificate, except that the Commissioner is authorized, in accordance with regulations, to issue commitments with respect to proposed loans, or with respect to lines (or proposed lines) of credit (as defined in section 10), submitted by eligible lenders, and in that event, upon compliance with subsection (a) (1) by the lender, the certificate of insurance may be issued effective as of the date when any loan, or any payment by the lender pursuant to a line of credit, to be covered by such insurance was made. Such insurance shall cease to be effective upon thirty days' default by the lender in the payment of any installment of the premiums payable pursuant to subsection (c).

(3) An application submitted pursuant to subsection (a) (1) shall contain (A) an agreement by the applicant to pay, in accordance with regulations, the premiums fixed by the Commissioner pursuant to subsection (c), and (B) an agreement by the applicant that if the loan is covered by insurance the applicant will submit such supplementary reports and statements during the effective period of the loan agreement, upon such forms, at such times, and containing such information as the Commissioner may prescribe by or pursuant to regulation.

(b) (1) In lieu of requiring a separate insurance application and issuing a separate certificate of insurance for each student loan made by an eligible lender as provided in subsection (a), the Commissioner may, in accordance with regulations consistent with section 2, issue to any eligible lender applying therefor a certificate of comprehensive insurance coverage which shall, without further action by the Commissioner, insure all insurable loans made by such lender, on or after the date of such certificate and before a specified cutoff date, within the limits of an aggregate maximum amount stated in the certificate. Such regulations may provide for conditioning such insurance, with respect to any loan, upon compliance by the lender with such requirements (to be stated or incorporated by reference in the certificate) as in the Commissioner's judgment will best achieve the purpose of this subsection while protecting the financial interest of the United States and promoting the objectives of this Act, including (but not limited to) provisions as to the reporting of such loans and information relevant thereto to the Commissioner and as to the payment of initial and other premiums and the effect of default therein, and including provision for confirmation by the Commissioner from time to time (through endorsement of the certificate) of the coverage of specific new loans by such certificate, which confirmation shall be incontestable by the Commissioner in the absence of fraud or misrepresentation of fact or patent error.

(2) If the holder of a certificate of comprehensive insurance issued under this subsection grants to a student a line of credit (as defined in section 10) extending beyond the cutoff date specified in such certificate, loans or payments thereon made by such holder after such date pursuant to such line of credit shall not be deemed to be included in the coverage of such certificate except as may be specifically provided therein; but, subject to the limitations of section 2, the Commissioner may, in accordance with regulations, make commitments to insure such future loans or payments, and such commitments may be honored either as provided in subsection (a) or by inclusion of such insurance in comprehensive coverage under this subsection for the period or periods in which such future loans or payments are made.

(c) The Commissioner shall, pursuant to regulations, charge for insurance on each loan under this Act a premium in an amount not to exceed one-fourth of 1 per centum per year of the unpaid balance of principal and accrued interest of such loan, payable in advance, at such time and in such manner as may be prescribed by the Commissioner. Such regulations may provide that such premium shall not be payable, or if paid shall be refundable, with respect to any period after default in the payment of principal or interest, or after the borrower has died or becomes totally and permanently disabled, if (1) notice of such default or other event has been duly given, and (2) request for payment of the loss insured against has been made or the Commissioner has made such payment on his own motion pursuant to section 7 (a).

(d) The rights of an eligible lender arising under insurance evidenced by a certification of insurance issued to it under this section may be assigned as security by such lender only to another eligible lender, and subject to regulation by the Commissioner.

(e) The consolidation of the obligations of two or more insured loans obtained by a student borrower in any fiscal year into a single obligation evidenced by a single instrument of indebtedness shall not affect the insurance by the United States. If the loans thus consolidated are covered by separate certificates of insurance issued under subsection (a), the Commissioner may upon surrender of the original certificates issue a new certificate of insurance in accordance with such subsection upon such consolidated obligation; if they are covered by a single comprehensive certificate issued under subsection (b), the Commissioner may amend that certificate accordingly.

PROCEDURE ON DEFAULT, DEATH, OR DISABILITY OF STUDENT

SEC. 7. (a) Upon default by the student borrower on any loan covered by insurance pursuant to this Act, or upon the death of the student borrower or a finding by the insurance beneficiary that the borrower has become totally and permanently disabled (as determined in accordance with regulations established by the Commissioner) before the loan has been repaid in full, and prior to the commencement of suit or other enforcement proceeding upon any security for such loan, the insurance beneficiary shall promptly notify the Commissioner, and the Commissioner shall if requested (at that time or after further collection efforts) by such beneficiary, or may on his own motion, if the insurance is still in effect, pay to the beneficiary, within the limits of liability specified in section 3 (b), the amount of the loss sustained by the insured upon such loan as soon as such amount has been determined. The "amount of the loss" on any loan shall, for the purposes of this subsection, be deemed to be an amount equal to the unpaid balance of the loan, including interest accrued and unpaid on the date of payment by the United States on its insurance obligation, except that

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where the Commissioner has decided to make payment on his own motion the amount of the loss as so determined shall be deemed tentative and shall be increased by the excess, if any, over such tentative amount of any net recovery made by the Commissioner on such loan after deduction of the cost of such recovery (including reasonable administrative cost).

(b) Upon payment by the Commissioner of the insured portion of the loss, or tentative amount of loss, pursuant to subsection (a), the United States shall be subrogated to the rights of the holder of the obligation upon the insured loan and be entitled to an assignment of the note or other evidence of the insured loan by the insurance beneficiary.

(c) Nothing in this section or in this part shall be construed to preclude any forbearance for the benefit of the student borrower which may be agreed upon by the parties to the insured loan and approved by the Commissioner, or to preclude forbearance by the Commissioner in the enforcement of the insured obligation after payment on such insurance, or to require collection of the amount of any loan by the insurance beneficiary or by the Commissioner from the estate of a deceased borrower or from a borrower found by the insurance beneficiary to have become permanently and totally disabled.

(d) Nothing in this section or in this Act shall be construed to excuse the holder of a loan from exercising, in the making and collection of loans under the provisions of this part, the same care and diligence which would reasonably be used in making and collecting loans not insured. If the Commissioner, after reasonable notice and opportunity for hearing to an eligible lender, finds that it has substantially failed to exercise such care and diligence, or to make the reports and statements required under section 6 (a) (3), or to pay the required insurance premiums, he shall disqualify such lender for further insurance on loans granted pursuant to this Act until he is satisfied that such failure has ceased and finds that there is reasonable assurance that the lender will in the future exercise necessary care and diligence or comply with such requirements, as the case may be.

(e) As used in this section, the term "insurance beneficiary" means the insured or its authorized assignee, if the certificate of insurance is held by such assignee.

REVOLVING INSURANCE FUND

SEC. 8. (a) There is hereby established a student loan insurance fund (hereafter in this section called the "fund") which shall be available without fiscal year limitation to the Commissioner for carrying out the provisions of this Act, and the Commissioner is hereby authorized to transfer to the fund from time to time from the appropriations provided under subsection (b) of this section such sums as he deems necessary to provide capital for the fund. All amounts received by the Commissioner as premium charges for insurance and as receipts, earnings, or proceeds derived from any claim or other assets acquired by the Commissioner in connection with his operations under this Act, and any other moneys, property, or assets derived by the Commissioner from his operations in connection with this section, shall be deposited in the fund. All expenses under this Act shall be paid from the fund, including (within the limits authorized from year to year in appropriation Acts to be paid for such purpose from the fund) all administrative expenses which the Commissioner determines are reasonably attributable to his operations under this Act. Moneys in the fund not needed for current operations under this section may be invested in bonds or other obligations guaranteed as to principal and interest by the United States. If at any time the Commissioner determines that capital surplus and reserves of the fund exceed the present and any reasonably prospective future requirements of the fund, such excess may be deposited in the Treasury as miscellaneous receipts.

(b) (1) For the purpose of carrying out the provisions of this Act, there are authorized to be appropriated for transfer to the fund, pursuant to subsection (a) of this section—

(A) the sum of $500,000; and

(B) such further sums, if any, as may become necessary for the adequacy of the fund.

Any sums appropriated under this subsection shall remain available until expended.

(2) Interest shall accrue to the Treasury on outstanding capital resulting from transfers to the fund from appropriations under paragraph (1) of this subsection. The rate of such interest with respect to each such transfer shall be determined by the Secretary of the Treasury, taking into consideration the current average market yield, during the month preceding such transfer, on outstanding marketable obligations of the United States having maturities comparable to those of loans insured under this Act. From time to time and at least at the close of each fiscal year, the Commissioner shall pay to the Treasury, as miscellaneous receipts, all accrued interest.

(3) If at any time the moneys in the fund (including any appropriation available for transfer to the fund pursuant to this section) are insufficient to make payments in connection with the default of any loan insured under this Act, the Commissioner is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Commissioner with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury,

taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued hereunder and for such purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this paragraph. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. Sums borrowed under this paragraph shall be deposited in the fund and redemption of such notes and obligations shall be made by the Commissioner from such fund.

LEGAL POWERS AND RESPONSIBILITIES

SEC. 9. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this Act, the Commissioner may—

(1) prescribe such regulations as may be necessary to carry out the purposes of this Act;

(2) sue and be sued in any court of record of a State having general jurisdiction or in any district court of the United States, and such district courts shall have jurisdiction of civil actions arising under this Act without regard to the amount in controversy, and any action instituted under this subsection by or against the Commissioner shall survive notwithstanding any change in the person occupying the office of Commissioner or any vacancy in such office; but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Commissioner or property under his control, and nothing herein shall be construed to except litigation arising out of activities under this part from the application of sections 507 (b) and 2679 of title 28 of the United States Code and of section 367 of the Revised Statutes (5 U.S.C. 316);

(3) include in any contract for insurance such terms, conditions, and covenants relating to repayment of principal and payment of interest, relating to his obligations and rights and to those of eligible lenders, and borrowers in case of default, and relating to other matters as the Commissioner determines to be necessary to assure that the purposes of this Act will be achieved;

and any term, condition, and covenant made pursuant to this clause or any other provision of this Act may be modified by the Commissioner if he determines such modification is necessary to protect the financial interest of the United States;

(4) subject to the specific limitations in this Act, consent to the modification, with respect to rate of interest, time of payment of any installment of principal and interest or any portion thereof, or any other provision, of any note or other instrument evidencing a loan which has been insured under this Act;

(5) enforce, pay, or compromise, any claim on, or arising because of, any such insurance; and

(6) enforce, pay, compromise, waive, or release any right, title, claim, lien, or demand, however acquired, including any equity or any right of redemption.

(b) The Commissioner shall, with respect to the financial operations arising by reason of this Act—

(1) prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act;

(2) maintain an integral set of accounts, which shall be audited annually by the General Accounting Office in accordance with principles and procedures applicable to commercial corporate transactions, as provided by sec-

tion 105 of the Government Corporation Control Act with respect to insurance under this Act, except that the transactions of the Commissioner, including the settlement of insurance claims, and transactions related thereto and vouchers approved by the Commissioner in connection with such transactions, shall be final and conclusive upon all accounting and other officers of the Government.

DEFINITIONS

SEC. 10. As used in this Act—

(a) The term "State" means a State, the Commonwealth of Puerto Rico, the District of Columbia, the Canal Zone, Guam, American Samoa, or the Virgin Islands.

(b) The term "eligible institution" means either—

(1) an institution of higher education in any State which (A) admits as regular students only individuals having a certificate of graduation from a secondary school, or the recognized equivalent of such a certificate, (B) is legally authorized within such State to provide a program of education beyond secondary school, (C) provides an educational program for which it awards a bachelor's degree, or provides not less than a two-year program which is acceptable for full credit toward such a degree, and (D) is accredited by a nationally recognized accrediting agency or association listed by the Commissioner pursuant to this subsection or, if not so

accredited, is an institution whose credits are accepted, on transfer, by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited; or

(2) a business or trade school, or technical institution or other technical or vocational school, in any State which (A) admits as regular students only persons who have completed or left secondary school, (B) is legally authorized within such State to provide a program of postsecondary vocational or technical education, (C) provides a program of postsecondary vocational or technical education designed to fit individuals for useful employment in recognized occupations, and (D) is accredited by a nationally recognized accrediting agency or association listed by the Commissioner pursuant to this subsection: *Provided, however*, That if the Commissioner determines there is no nationally recognized accrediting agency or association qualified to accredit schools of a particular category, he shall appoint an advisory committee, composed of persons specially qualified to evaluate training provided by schools of that category, which shall prescribe the standards of content, scope, and quality which must be met by such schools in order for loans to students attending such schools to be insurable under this Act and shall also

determine whether particular schools meet such standards.

For the purpose of this subsection the Commissioner shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of education or training offered.

(c) The term "Commissioner" means the Commissioner of Education.

(d) The term "secondary school" means a school which provides secondary education, as determined under State law, except that it does not include any education provided beyond grade 12.

(e) The term "eligible lender" means an eligible institution, or a financial or credit institution (including an insurance company) which is subject to examination and supervision by an agency of the United States or of any State.

(f) The term "line of credit" means an arrangement or agreement between the lender and the borrower whereby a loan is paid out by the lender to the borrower in annual installments, or whereby the lender agrees to make, in addition to the initial loan, additional loans in subsequent years.

Mr. SNEDEN. Six, to offer the members of the committee available information about students in accredited business schools because of our most earnest desire to see the full potential of all parts of S. 2490 reflected in your final recommendations.

The title II student loan program of National Defense Education Act has, since its enactment, included, in principle only, the estimated 50,000 students in the Nation's 216 accredited business schools and junior colleges of business. Operatively, the present restrictive definition and limitations of National Defense Education Act section 103(b), 20 U.S.C. 403(b), have denied thousands of needy and ambitious students and would-be students the effective assistance of the student loan program.

As introduced, S. 2490 would still deny help to business school students.

An institution of higher education is defined in section 103(b) of Public Law 85-864, National Defense Education Act, 20 U.S.C. 403(b). The second sentence reads as follows:

> For the purposes of subchapter II of this chapter, such term includes any private business school or technical institution which meets the provisions of clauses (1), (2), (3), (4), and (5).

We respectfully suggest that the definitions in S. 2490 of the terms "institution of higher education" (p. 6, line 12) and "eligible lender" (p. 19, line 4) be revised so that both of the worthwhile loan programs in part A and C and the scholarships in part B and the work study program of part D would include students in accredited business schools.

This could be accomplished by removing the present restrictions that the student be enrolled in an institution of higher education which:

(3) Provides an educational program for which it awards a bachelor's degree or provides not less than a 2-year program which is acceptable for full credit toward such a degree; and

(4) Is a public or other nonprofit institution.

The safeguards of quality education still would be maintained by retaining the requirements that the institution:

(1) Admit high school graduates.

(2) Offer a post-high-school program.

(3) Be accredited.

The present law recognizes business school students in principle but, unfortunately, operatively excludes the students because the vast majority of educational programs in business schools are 1- and 2-year terminal programs. They are post-secondary-school programs but they are not programs designed for the baccalaureate degree.

It should be noted, however, that many of the business school students, upon completion of their 2-year program, especially to our accredited institutions, will go on to finish their degree work in a senior college and receive full transfer credit.

In my prepared statement I have included some information about the students enrolled in 216 business schools surveyed and also a reprint of a recent Wall Street Journal article about business schools which I will not go into at this time.

Incidentally, I was happy to have the benefit of Senator Yarborough's comments earlier this morning because I had the privilege of presenting testimony in support of his effort on the extension of the cold war GI bill, and I would like to make it clear that we are still interested in S. 5 and in favor of such legislation.

In our prepared statement we include a survey of accredited schools, showing, among other things, the tutition costs as well as total costs of attendance for an academic year which are in the the full statement.

I feel that it should be pointed out that the student costs that have been experienced, that are being experienced, in our institutions are substantially lower than the costs that are found in other private institutions according to figures cited by the Office of Education.

It should be noted, too, that a large number of our students are ones who come to us after having had an incomplete, unsatisfactory or a failing experience in another institution of higher education. On an average, 20 percent of students in accredited business schools have had one or more semesters in a college or university.

In the interests of time, I know that you are very busy, I would like to go on to the summary, and then I hope that there may be some questions that we will be able to answer.

In summary, we feel that thousands of needy business school students should be able to avail themselves of the types of National Defense Education Act student loan programs suggested in parts A and C of S. 2490.

Increasingly, terminal 1- and 2-year college-level programs are attracting more and more able, determined young people. A high percentage of these young people bear the scars of uncompleted 4-year baccalaureate programs for which, possibly, they were financially incapable of undertaking.

The "high school dropout" problem has in recent months been given much news and discussion. What about the "college dropout"—or, as we prefer to call them, the college transfers?

Expansion of National Defense Education Act student loans to these young people will be a substantial investment in and evidence of your support of their determination, by a second attempt, to achieve a worthwhile education after having either failed once or reexamined their vocational objectives.

The plight of these students, who are presently excluded from the National Defense Education Act program, is a rightful concern of the Federal Government. The investment in these students can reap a ready and immediate return to the Federal Government itself by increasing the availability of trained officeworkers for the Federal agencies as well as for industry and business.

Other considerations why business school administrators respectfully urge your consideration of our views are:

1. The inequity of the presently limited scope of higher education assistance will be corrected.

2. Increased educational opportunities which will result in adding to the numbers of trained engineering aids, scientific technicians, computer technicians, automatic data processors, and specialized secretarial workers in the fields of medicine, science, and engineering thus strengthening the defense of our Nation.

3. Individual students will have a greater opportunity of choice in securing higher education and there will be the assurance of a greater educational balance in accord with the total needs of our society.

4. Those who will directly benefit under this program will aid our society by their increased educational training and, additionally, as more productive citizens, will naturally add to the coffers of the Treasury as individual taxpayers. Potential skills and abilities, which otherwise may be lost, will be developed at this particular level of post-high-school education.

5. The overcrowded labor market for nontrained or semitrained persons will be relieved.

6. In addition to raising the standard of living, preparing more young people for the age of automation by development of their technical, scientific, and educational skills; you will be increasing the number of productive and educated citizens.

In conclusion, the 216 accredited business schools submit:

1. There is an existing need for these loan programs by students in accredited business schools.

2. This is a rightful concern of the Federal Government.

3. State programs are too limited in scope and too narrow in application.

Therefore, we hopefully ask the members of this committee to review the needs of the students enrolled in accredited business schools and respectfully urge you to amend appropriately the several parts, particularly A and C, of S. 2490 so that your final recommendations will reflect fully the splendid potential of the measure.

Senator Morse. Mr. Sneden, I want to commend you for the thoroughness of this prepared statement and the accompanying exhibits. You may be given complete assurance that your position will be very carefully considered by this subcommittee and the full committee.

In fact, I now assign it to Mr. Lee, my legislative counsel of the subcommittee, to analyze not only your statement but all of the exhibits and give us a thorough briefing and his findings after we have had an opportunity to read this ourselves. That is the way I operate this subcommittee.

I only had two questions. You took one out of my mouth with your subsequent discussion of it in your paper.

We have a program that involves a good many college dropouts that are of such great concern to us, and it is important that we develop their abilities. I know something about college dropouts. The problem in college is to not flunk a student.

I always took a position if anyone failed law school that was my mistake or the mistake of my faculty. I tried to save them from failure by finding that sphere of activity in which their abilities and capacities showed fell within the sphere of their potential accomplishments.

Many a time I had a law student who was in the law school not because he wanted to be there but because his father wanted to see his name on his law office door. Perhaps one was there because some uncle helped him financially to go to law school. The uncle wanted him to be a lawyer though the student himself could not have cared less.

It was only a small number of the students of the whole, but it was more than you think, and it is nothing to the discredit of the student if he or she finds that their abilities warrant training in some other department of learning, finding the niche in which these students can make their successful adjustment to the economic life of our society.

What I was thinking is this, which you were discussing in part of your paper. I noted at least no mention of the divisions in many of our universities, particularly in the business school, of a curriculum which covers a good many of the subject matters offered by accredited business schools.

The students enter the university and take these courses, never expecting to finish their baccalaureate. In fact, in some institutions they get a certificate after 2 years that they have completed certain business courses.

Mr. SNEDEN. Yes; that is right.

Senator MORSE. I think that they would be eligible for National Defense Education Act loans at the present time if they connected with an institution of higher learning.

As you know, I have introduced S. 2367, which would establish a loan program for those who attend vocational schools, including business colleges, which seeks the same end as your recommendations, and I am considering the amendment of this version which would make insured loans available to students.

I have not had a chance as yet to talk to Senator Hartke, but we will confer about it. I might even consider, if the legislative climate looks good, of adding it as a new section to this bill rather than keeping it as my independent bill. I think we have got an area where we can work out an accommodation which will not result in a discrimination against the group of students which you have inferred.

Senator Hartke.

Senator HARTKE. I would like to point out, Mr. Chairman, I think you have pointed your finger at something which is very definite, I think the statement presented here today is a very satisfactory important part of this program. I honestly believe that more and more we are going to have to turn to some of these programs which do not necessarily look forward to a degree from a 4-year school.

This question of automation as you have previously indicated, and I commend you for your efforts in that field, I think are indicative of the fact that not only are we going to have to move in the field of higher education but in the lowly field of education and we are going to have to realize that while vocational education has one definite interpretive significance at the moment, it probably should be broadened in its concept, or that may be the terminology is wrong. Maybe "vocation" is the wrong word. Maybe we will have to approach it differently, but I think generally we are agreed upon the overall problem, that what you are trying to do here is to provide an opportunity to make it possible for a young man or a young woman to adequately equip himself with his talents and his desires so that he will not be a burden upon society, but so that he can make a contribution to society, and I think that is a very commendable feature of the chairman's attitude and is vital on this ground.

Mr. SNEDEN. Very often the student who comes to an institution of the type that I represent comes from rather limited circumstances, and he is probably in greater need of financial aid even if it is in the form of a loan, than perhaps would students planning a 4-year baccalaureate program.

Senator MORSE. Mr. Sneden, I wish you would take a look at S. 2367, which is the bill that I have pending. I will ask counsel to supply you with a copy. If, after looking at it, you care to file a supplementary memorandum to be added to your statement I will be very glad to have it. I think it is an opportunity for us to get your views and I would be glad to have them.

Mr. SNEDEN. Thank you.

Senator MORSE. This closes our hearings for this morning. We will stand in recess until 9 o'clock tomorrow morning.

(Whereupon, at 11:30 a.m., the subcommittee recessed, to reconvene at 9 a.m., Wednesday, March 11, 1964.)

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