other financial industry representatives were invited to this top level meeting.

I did not even know it had occurred. I did not know it was going on.

Mrs. GREEN. Mr. Patman, let me say that I was not invited either.

Mr. PATMAN. You were not? That is another point that should be considered. Each industry was allowed one representative. Several groups asked to have additional representation at the meeting, but were informed that they could only send one representative. However, when the meeting was held, all of the financial trade associations were limited to one representative except the American Bankers Association, the bankers lobby that started this thing, which was allowed four or five representatives.

That is the reason the chief lobbyist said, "Mr. Banker, go ahead and make these loans and they will be retroactive to July 1." He felt he was in a position to do it.

I would urge you, Madam Chairman and members of your subcommittee, not to report the amendments to H.R. 6232 or H.R. 11978, but to strongly consider alternative possibilities.

Rather than open the door for further increases in the earned interest rates by the commercial banks, especially if these higher interest rates are from Federal subsidies, I suggest two alternatives now and, furthermore, I leave the door open for other options as my staff analysis of this subject continues.

My first suggestion is to tap the supply of funds of other financial intermediaries, in particular to tap the funds of the growing pension plans. What pension fund would not jump at 4 percent, and certainly at 6. These funds would be attracted by a U.S. Government guaranteed 6-percent earning asset.

And these funds would not gouge the U.S. Government for a $35 subsidy. This subsidy for 1-year loans can exceed 50 percent of the interest on a $1,000 loan. That is, $35 is more than half of $60. My second option suggests the U.S. Government directly underwrite the program.

With this option the U.S. Government could then have a variable payback rate. If a student preferred to devote his life to a relatively lower money paying position, he would not have to pay as heavily to start, because his paybacks would be related to his income.

Also, those recipients who were fortunate enough to make significant money incomes might pay more than their original costs. These borrowers would share some of their increased earnings with the U.S. Government. Even these recipients might prefer a lower initial monthly payment when the value of each dollar is very high.

May I leave you with this question: Can we participate in good faith and with kind hearts in the indoctrination of our youth to being exploited by banks with usurious interest rates, and this is usury with a vengeance. We will never live it down. Congress can never afford to make them pay such interest rates as this.

Madam Chairman and members of the subcommittee, I deeply appreciate the opportunity to have appeared before you this morning.

I want to make a few brief comments. The banks have a great privilege from the Government. They have an exclusive monopoly on checking accounts. No other financial institution in America can carry a