

Mr. QUIE. Well, compare a loan that has no guarantee, they don't have to depend on the ability of the family or the student to repay, as compared with the guarantee of the Federal Government.

Mr. PATMAN. I would say at least 2-percent difference. You see, they get the 6 percent in the guarantee, too. So they get the equivalent, according to the evaluation I made, of 8 percent.

Mr. QUIE. What is it costing to put money out now to private borrowers, say a person who has a credit rating that he can go in and borrow a thousand dollars on his signature, what kind of interest rate would there be now?

Mr. PATMAN. I don't think the bankers lobby will give you testimony like that. But I do think the figures given to this subcommittee by the ABA in April are not supported by fact.

Mr. GIBBONS. One of the fringe benefits that the Congressman enjoys is that he can borrow money at 4 percent from this setup we have over here.

Mr. PATMAN. Is that right?

Mr. GIBBONS. At the Clerk's Office.

Mr. PATMAN. How much can you borrow?

Mr. GIBBONS. You really hock your salary, that is what you do there.

Mr. PATMAN. I didn't know that. I would not want to hock my salary. I don't mind the 4 percent, but I don't want to hock my salary.

Mr. QUIE. I think it is 5 percent now. They subtract the interest from the principal to begin with, so the simple interest is substantially higher than 5 percent.

Mr. PATMAN. You see, they pay you more than 4½ percent for your own money, CD's. In New York, if you have over a \$100,000 in the rich man's class, the fat cat class, over \$100,000, you get 5½ percent.

Mr. GIBBONS. We can talk about rank discrimination in this room, Mrs. Green, Mr. Brademas, and unfortunately you, Mr. Patman, don't have that Government dowry to be able to split income with a spouse.

Mr. PATMAN. That does not mean too much. Getting the income is the main thing. I wish I had to pay twice as much income tax as I do.

Mr. GIBBONS. I want to say that while I admit, from what you say, you pointed out some very interesting preferences in all of our laws, I think of all the laws that have preference built in them our tax laws have probably more preference built in.

Mr. PATMAN. I think you are right, more gimmicks and more loopholes. The bankers only pay about 26 percent taxes as compared to the business and industrial concerns that pay 48. You see, they have plenty of loopholes too.

Mr. GIBBONS. I was not going to bring this in because I don't know how you feel about this. I was not going to bring in the mineral extractive allowance.

Mr. PATMAN. You mean depletion allowance. Let me answer that.

Mr. GIBBONS. That is up to the chairman.

Mr. PATMAN. I am not arguing for any particular amount that should be justified. For one thing, it is highway robbery in broad daylight on the American Government for us to give operators in foreign countries depletion allowance. Why should we give the operator in Arabia or South America or any other country the same depletion allowance that they give here in the United States? That is where the robbery comes in.