Mr. WILLIAMS. Will the gentleman yield?

Mr. HALPERN. Yes, I yield.

Mr. WILLIAMS. Mrs. Sullivan, is not what you are really saying is that the hypothetical case you are using, the person should not get credit?

Mrs. SULLIVAN. It is not a hypothetical. This is true in a great many instances involving small loans.

Mr. WILLIAMS. What you are saying is that this person should not receive credit.

Mrs. SULLIVAN. He needs money so he is going to agree to any terms in order to get it.

Mr. HALPERN. I should point out, and I certainly would like to make this point now, and if you perhaps have any comment on it, I would appreciate it.

From what I understand, the best experience that credit unions enjoy is with the small loans made by the lowest income groups. Are you familiar with that?

Mr. ROBERTSON. Oh, yes.

Mr. HALPERN. Low income, I should say. Their experience has been very good.

Mr. ROBERTSON. Their experience has been very good.

Mr. HALPERN. That is all.

Mrs. SULLIVAN. Mr. Annunzio.

Mr. ANNUNZIO. Governor Robertson, you stated in the statement read before the committee that the other members of the Board have approved the statement and also that it involves the 18-percent interest on loans charged to customers?

Mr. ROBERTSON. Could I correct my statement? Because I may have misled you. They have not all approved the statement, the words that I have used. They have approved unanimously the positions that I have taken.

Mr. ANNUNZIO. They have approved your position—the Board has approved the position that the 18-percent rate ceilings as advocated under our bill 11602 should be eliminated?

Mr. ROBERTSON. That is right.

Mr. ANNUNZIO. Now, on the other hand, the Federal Reserve Board firmly supports the 5-percent ceiling on consumer time deposits. They support a 4-percent ceiling on savings deposits. They support a zero ceiling on demand deposits.

Do you see any inconsistency here in favor of lenders, with everybody ganging up against the bank borrower and bank depositor? Is it fair to have a ceiling on what banks can pay on interest but not on what they can charge the average person? The average person living in my district would read this statement, and would get the feelling that the Government was not on their side, but on the side of the lending institutions. If you feel that this 18 percent should be eliminated, I would like to know in your opinion what a usurious rate of interest is—24 percent? 36 percent? 48 percent? I was on the subcommittee that investigated the rates of interest being charged to servicemen. This Banking and Currency Committee uncovered interest rates that ran as high as 100 percent. We have made great advances in correcting that situation involving servicemen.