

is something where you can pull everything together and just write one bill a month—don't even write a check a month—it is handled in the bank and you automatically are debited. It is not just the cost of money, it is all the convenience involved.

Whether a rate is unconscionable largely depends upon the level of rates permitted under State laws which are express exceptions to the usury laws. Maximum permissible statutory interest rates on closed-end loans may range from 18 percent on loans of larger amounts to 36 or 40 percent on loans of smaller amounts. Also, statutory rates on revolving credit transactions range as high as 1½ percent per month or 18 percent per year or higher in some cases.

I think the average consumer, if you say, you know that that is 18 percent a year, he might blanch for a minute, but I am willing to pay a point and a half a month for this convenience, establish credit, and get the television set.

Mrs. SULLIVAN. This is what the gals have been paying for in food purchases—convenience. Instead of hiring a maid they get built-in maid service in the processed convenience foods for which they pay a great deal more.

Mr. BINGHAM. Before we get too far away, I wonder if Mr. Walker would explain how he arrived at the figure of 120 percent for a \$50 loan, \$5 charge?

Mr. WALKER. Pay it off in 1 month.

Mr. BINGHAM. Paid off in 1 month? I didn't hear that.

Mr. WALKER. And 2 months would be 60 percent and so on.

Mrs. DWYER. You refer to this 6 percent myth. Do not the bills before us threaten to create brand new myths, either an 18 percent myth or a 1½ percent myth?

Mr. WALKER. I think H.R. 11601—I think there is something in what Governor Robertson said, and to some extent some of the points brought up today about ceilings tending to become floors. As a market economist I resist this to a considerable extent because I think market forces are sufficiently strong to keep interest rates down except if the Congress enacts legislation and stamps 18 percent as a rate that the Congress has said is some sort of rate that has your imprimature, and I think some consumers are going to think, "Well, yes, the 18 percent is quite logical and this is only one objection to a Federal usury statute. There are much more.

Mrs. DWYER. Will the ABA have exhibits and the Senate testimony—will that be included in the record here?

Mr. WALKER. We would be glad to furnish our Senate testimony which is very comprehensive.

Mrs. SULLIVAN. I do not know that it would have to be included in our printed hearings as long as we have access to it.

Mrs. SULLIVAN. Mr. Gonzalez?

Mr. GONZALEZ. Thank you, Madam Chairman.

First, a comment, both with respect to Father McEwen and what he said very eloquently, and some aspects of your testimony, Mr. Walker. There is no question in my mind that one index as to the well-being of a civilization is the interest rates chargeable in that society. I know societies where if an ordinary citizen for my purpose, business or otherwise, can make a loan on which he can pay as little as 15