

at random the results of a study to determine the actual percentage of service fee on revolving accounts over a 12-month period.

Mrs. SULLIVAN. Thank you, Mr. Kimball.

Mr. Keyserling, I don't believe you submitted a prepared statement. Do you think you can pick out the points of the bill that you would like to discuss in 10 to 15 minutes' time?

STATEMENT OF LEON H. KEYSERLING, WASHINGTON, D.C., FORMER CHAIRMAN, COUNCIL OF ECONOMIC ADVISERS, CONSULTING ECONOMIST AND ATTORNEY, AND PRESIDENT, CONFERENCE ON ECONOMIC PROGRESS

Mr. KEYSERLING. Madam Chairman and members of the subcommittee, I want to apologize for not having a prepared statement. This is the first time in 35 years of appearances before congressional committees that I have not had one for the benefit of the committee.

I set aside some time last week to do this and was called to Israel at the request of the Prime Minister for an economic conference, and just got back at the end of this week. So I am very sorry not to have a prepared statement.

I can summarize my views within the prescribed time.

I heartily favor the bill H.R. 11601 in all basic respects. I think it is long overdue. I think it is well considered, I think it is imperatively needed.

I am not impressed with any of the objections to it that I have thus far heard.

I would like to say that I am even more strongly in favor of the provision for a ceiling upon the rate charged than the provision for disclosure although I favor both. The fact of the matter is, that the poor and the oppressed and deprived are in a position that impels them to borrow money at whatever cost, because they have to. Disclosing what the cost is may help them, but taken alone, it doesn't help them enough. The even more important thing is to see that they do not pay too much for a commodity that they have to use; that is, borrowed money.

I think that the 18-percent rate is much too high, and is a sad commentary as to the extent to which all of our national credit policies, private and public, have tended to impose the smallest burdens upon those who need help least and the harshest burdens upon those who need help most.

One defense which some may offer for the 18-percent rate may be that other interest rates have gotten so high, so unconscionably high, that a practical spread must be maintained between other interest rates and these particular interest rates.

For this reason, I would like to call to the attention of the committee that, while this bill is essential and imperative, it is absolutely impossible to accomplish nearly enough in the way of making credit available to low-income people at reasonable costs, unless and until the broader problem which is also within the jurisdiction of this committee is tackled.

I think it is in some respects and I do not ascribe this to this committee, rather ironic and even tragic, that we should be attempting to