

(3) Figures in this section marked with an asterisk are subject to escalation pursuant to Section 1.106.

Mrs. SULLIVAN. I want to thank every one of you witnesses for giving us your time and your knowledge this morning. The bells have rung once and are going to ring again and at that point we will have to go to the floor. I just can't tell you how much I appreciate the patience and cooperation of everyone of these outstanding witnesses.

I think all of you have shed light on this legislation.

Unfortunately, we have no time for extended questioning. I promised Mr. Fino, who gave up his time before, that I would call on him. What I am going to ask all of you is, if we have some specific questions to put to you—and I think our committee counsel will certainly want to submit some questions to Mr. Countryman for our further information on the points that you brought out, professor—if we can give these to you quickly, could you get them back to us when you go over your part of the transcript? We would appreciate it very much.

With that I am going to call on Mr. Fino because I promised him an opportunity to question and then we will adjourn.

Mr. FINO. I just wanted to ask Mr. Keyserling one question.

Do you think that the credit unions in this country are doing a good job in supplying loans to members for consumer items?

Mr. KEYSERLING. I think they are helping. I don't think they are completely meeting the unmet need by any means. I think they are a helpful instrumentality.

Mr. FINO. You know for a fact that the credit unions do charge 12 percent per annum interest rates; is that right?

Mr. KEYSERLING. I am not aware of the details of what they charge.

Mr. FINO. You have, if I understood your testimony, expressed some fears about an 18-percent national usury limit.

What would you suggest?

Mr. KEYSERLING. Well, let me explain myself a little bit on that. I don't want to sound extremist, but our whole national conscience on the subject of interest rates has gone absolutely wild, and this is one aspect of it.

Our great corporations get money for their investment purposes without paying anything for the cost of the money, because they finance it out of retained earnings and out of the consumer through the price structure.

Furthermore, they are supplied with extravagant tax bonanzas like depletion and depreciation allowances, which are neither needed nor merited.

So, in effect they are paying a zero or a minus rate of interest.

I read in the papers recently that one of our biggest business corporations—I read this—one of the big corporations, I cannot recall the name, recently obtained money at the rate of 6 or 7 percent, which is the highest they ever paid on record. I could carry this all up and down the line. The point is, it is personally repugnant to me, if no more, that we should regard 18 percent as a proper ceiling for the interest rate—and I won't quibble about the differences between the interest rate and service charges; I have already expressed myself on that—for the poorest and most lowly and most unable to protect themselves, who are under the greatest compulsion to borrow because they other-