

or percentage of the purchases made by the family, the average family amount to less than \$100?

Mr. BARR. We will supply that, Madam Chairman.

(The information may be found on p. 98.)

Mrs. SULLIVAN. I was just looking at one of the ads in yesterday's paper—and I am not going to mention whose ad this is, but they have a furniture supplement in the Sunday paper, 12 pages in color—and most of the items in it are priced at less than \$100. I am sure this was not an attempt in advance to avoid or evade or get around the Senate bill, but here is a cover page of bedroom items, each listed separately at \$39.88. Of course, in the back of it somewhere they talk about open stock. They have the night stand listed separately, they have the bed listed separately, they have the regular chest listed separately, and they have a bachelor chest listed separately, and then on other pages they list dining room pieces, all priced individually, and so on. This is one of the things that we fear. If there is an exemption of all items on which the credit charge is less than \$10, it would be so easy to evade the real meaning of this bill so as not to require disclosure on most of the items people buy.

Mr. BARR. This is one item where we concur completely.

Mrs. SULLIVAN. Mrs. Dwyer, did you have any further questions?

Mrs. DWYER. One other question. I would like to go back to that 18-percent national usury. I am surprised—I am told that approximately 44 percent of the large merchandising industries employ an adjusted balance system on its revolving charge accounts which that industry claims results in an effective annual interest charge on the average account of far less than 18 percent. If the entire industry which uses 1½ or 1 percent a month on either the adjusted balance system or the opening balance system is required to annualize and convert out to 18 percent, are you not really risking and encouraging all merchandisers to reprogram their systems so that their finance charges yield as close to 18 percent as possible? And in this manner are we not risking millions being added to the amount paid by consumers to their revolving charge accounts?

Mr. BARR. Mrs. Dwyer, I don't think so. As I said several times today and I said it in the Senate, it seems we and the retailers just don't communicate. There is only one philosophical judgment you have to make here; that is, when is the date that this credit transaction starts? If it starts on the date of the sale, then any of these assumptions they are making would be correct. If it starts on the date they impose the credit charge then we are right. So it just boils down to that.

Mrs. Dwyer, I believe that this is an extremely competitive country. I can't believe everybody would increase their rates. I just can't believe it.

Mrs. DWYER. Do you feel that the consumer really shops around competitively for credit in this country?

Mr. BARR. I don't believe he does today. I think if this legislation were enacted, and especially with the advertising provisions in the bill, I think you are going to see a lot more shopping than has been characteristic in the United States.

Mrs. DWYER. If this provision prevails, will it not be difficult to communicate to the consumer that we are not really advocating 18-percent interest?