

where the finance charge was \$9.90 and obtain absolutely no disclosure at all. Furthermore, the individual could make 10 or 100 purchases in a day—one of the loopholes—and if each purchase under \$100 was deemed to be a separate sale, there would be no disclosure.

But to most people in this country \$100 is a lot of money. For most people in this country a transaction involving the purchase of an item costing close to \$100 is not a small transaction.

Is it your view and the view of the Federal Reserve Board that the purchase of an item costing \$98 or \$95 is a small transaction? Can you give us any information as to what the average amount of consumer credit transactions involve? Certainly, a majority of consumer credit transactions are amounts less than \$100. When the family prepares to buy clothing for children in the fall, in September of this year, I am certain that many transactions are involved—each comprised of less than \$100 and which, under the language of the Senate bill would not be covered.

Similarly, individual items of furniture, small appliances, area rugs, dinnerware, would involve purchases of less than \$100 and, therefore, would not be covered by the Senate bill.

Are these not the very transactions which should be covered under this legislation if we are to provide protection for the people who need it most?

Mr. ROBERTSON. If there were a number of small purchases, they might well be made under revolving credit plans and so would be covered. I am just as concerned as you that the small borrower get all the advantages that this bill would provide. And I hope that you will, on the basis of the expert advice that you get from others, find some way of accomplishing this end while not depriving some necessitous small borrower from getting credit.

If I could think of a way to do that, I would certainly come forth with it. I do not know how to do it. I am just as concerned that the small man get the benefit of this legislation as anyone could be. I simply don't know how you would do it without hurting other people who need credit. Perhaps the committee will be able to come up with some way of doing it. Or maybe they will decide that the harm that is done to the necessitous small borrower is not sufficient to offset the benefits on the other side.

Mrs. SULLIVAN. Mr. Wylie?

Mr. WYLIE. Thank you, Governor, for your testimony. I would like to pursue this matter of fixing an interest rate again.

I have read your statement on this and I do not want to be repetitious. I just want to lay a foundation for a question. You are opposed, as I understand it, to an interest rate ceiling. Is that a fair statement?

Mr. ROBERTSON. That is right.

Mr. WYLIE. Your theory on that is, as I understand it, that competition will establish the proper rate in the community?

Mr. ROBERTSON. Or the local laws, of course. The local laws, which would still be applicable, and they set the ceilings.

Mr. WYLIE. What you are saying now is that—

Mr. ROBERTSON. The Federal Government should not intervene and set another ceiling.

Mr. WYLIE. That we should not get into the practice of passing a Federal usury law?