other is an article in the Wall Street Journal for July 14, 1967. Will it be agreeable to have those in the record?

Mrs. SULLIVAN. Yes; if there is no objection, we will have those inserted. I have a letter from Mr. Hunt (see p. 886).

Any other questions?

(The material referred to may be found in the appendix, p. 914.)

Mr. WYLIE. Madam Chairman, I just want to pin this down. I am very much interested in the annual rate for revolving credit. You say you do not think there should be a ceiling on it. On revolving credit, what would you think of the proposition of having the interest rate stated on an annual basis in the contract, as you enter into the arrangement prior to the purchase of the item? For instance, state a 10 percent interest and that equals an amount in cash, so that it would be added onto the price, and you can see the actual interest which is charged on it, plus the amount of money.

Mr. ROBERTSON. This is perfectly in accord with all the good principles I know. If you state an annual perecntage rate, what else you say in the way of showing the actual dollars of additional cost—is perfectly appropriate. No one can object to this. There would be nothing in this legislation which would preclude it.

Mr. WYLIE. Do you think it is really important, if you do that, that you include the interest rate on a monthly basis on revolving credit on the monthly statement?

Mr. ROBERTSON. Let me understand it. If you use an annual percentage rate, this would amount to 18 percent, and in addition what you do is to say—this amounts to 1½ percent a month——

Mr. WYLIE. Do you think it is important to say the interest amounts to 1½ percent per month on each monthly statement?

Mr. ROBERTSON. I do not. You could if you wanted, and not if you did not.

Mr. WYLIE. Yes. Thank you very much.

Mrs. SULLIVAN. Any further questions?

Governor, we appreciate your coming. You have done a beautiful job. We have tried to get you to say things you do not want to say.

Mr. ROBERTSON. It is a real pleasure to be here.

Mrs. SULLIVAN. We appreciate having your associates here also, including Mr. Cardon, who was, at one time, the clerk of the Banking Committee, and a very good one.

If any of the subcommittee members would like to submit additional questions to the Governor they can do so within 24 hours, and we will give them to him. And he can reply for the record, if that is all right with you, Governor.

(The following letter was received in reply to a question of Mr. Annunzio:)

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM,
Washington, D.C., August 17, 1967.

Hon. FRANK ANNUNZIO,
Congress of the United States,
House of Representatives,
Washington, D.C.

DEAR MR. ANNUNZIO: This is in response to your letter of August 8, inquiring as to the adequacy of the tolerances permitted in computing annual percentage rates of finance charge as provided for in H.R. 11601. The Board is very much