

you and we know what a solid contribution you have made and are making today.

Good to see you.

Mr. DOUGLAS. Thank you very much.

I was just saying I never had Mrs. Sullivan's courage. I never dared to include advertising in my bill because I was afraid that if I did so the newspapers would come out in opposition and would kill the whole thing.

Mrs. SULLIVAN. Senator, from what you have shown us, do you think it is needed?

Mr. DOUGLAS. I think they need it. Perhaps I was too fearful and was not sufficiently appreciative of the sterling idealism of the American press. You are far better judges. I think you have trust in your fellow men which I thought I once had and which I am trying to regain. We certainly need a cleanup in the advertising of credit as well as in the formal terms of sale and if you think it is safe to proceed, I would defer to your judgment.

3. I also like the way you include under your rules those credit charges which are under \$10 as well as those over that amount. The \$10 limit may still conceal a very high interest rate even though it is so small, and by its very nature, this will weigh most heavily on the poor and the very poor, who necessarily must buy in small quantities at high prices and on usurious credit terms.

The relative abuses perpetrated upon these poor folk are far greater than on any other class and you will have to weigh these considerations against the extra trouble caused to small businessmen on small amounts and also with the harsh political realities in the country and here in the House and Senate.

Mrs. SULLIVAN. Senator, on that one point, I think many people, as they have read about this \$10 credit charge exemption, feel that it refers to a \$10 purchase.

Mr. DOUGLAS. It is \$10 credit charge.

Mrs. SULLIVAN. And to many of the poor who buy on credit, a \$10 credit charge means a \$100 purchase, or one in that neighborhood; does it not?

Mr. DOUGLAS. It could be 20 percent on a \$45 purchase. It could be an interest rate of 20 percent and only a \$9 charge but an interest rate of 20 percent.

Mrs. SULLIVAN. It would hit the small borrowers and small buyers—those who need the benefits of this bill the most.

Mr. DOUGLAS. That is right. I think it is a fine feature of your bill.

4. I always included in my bills first mortgage credit on homes. I did not do so because of any deception about the annual rate. Since the financial groups in real estate had always followed the correct policy of quoting it on a yearly basis on the unpaid balance. In this respect they have been impeccable. I did include home mortgage credit, however, so that the prospective house buyer could know the total amount which he was to pay for interest over the life of the mortgage. On a 30-year mortgage, if he didn't pay out until the full 30 years, the amount paid in interest is more than the amount of principal, generally. I was pleased that the real estate industry did not seem to be alarmed by this provision and that the Housing and Home Finance