

Mr. DOUGLAS. You can slice things pretty thin and get a difference. But as I said, the difference of a quarter of a percent, that is relatively minor. The important thing is that $11\frac{1}{2}$ percent a month is 18 a year. It might be 18.007 or 17.993.

Mr. WYLIE. Some of the retailers tell me that they charge $11\frac{1}{2}$ -percent interest a month. Depending on the activity in the account, and the freeloading period—some retailers tell me that the interest rate actually comes out to about 9 or 10 percent annually on many accounts, which is quite a different amount than 18 percent.

Mr. DOUGLAS. I would like to see how large an area that actually is.

Mrs. SULLIVAN. Senator, is it not true that if it is difficult or inaccurate to figure it at 18 percent a year it is just as difficult or inaccurate to say it is $1\frac{1}{2}$ percent per month?

Mr. DOUGLAS. That is right.

Mrs. SULLIVAN. It works the same way?

Mr. DOUGLAS. In other words, every difficulty connected with a yearly rate is already connected with a monthly rate and the industry has chosen to use the monthly rate and if they use the monthly rate why should they object to having attention called to the fact that there are 12 months in the year?

Mr. WYLIE. That was one of the points I attempted to make in the beginning, that if you had some arrangement prior to sale—

Mr. DOUGLAS. Of each article?

Mr. WYLIE. Is it possible on each article?

Mr. DOUGLAS. That would be too cumbersome. Take a woman who goes to the department store every day during the month and makes some small purchase, to be totaled every month—that would impose a terrible burden on the retailer. I don't want to expose American retailers to that degree of Government regulation, Mr. Congressman.

Mrs. SULLIVAN. I think we have been on that subject long enough, and we do have to move on.

Mr. WYLIE. Thank you. I appreciate your testimony.

Mr. DOUGLAS. Thank you, Congressman.

Mrs. SULLIVAN. Mr. Halpern.

Mr. HALPERN. Thanks very much, Madam Chairman.

I wish to welcome our distinguished witness. The name Paul Douglas is synonymous with consumer credit legislation and I was privileged 7 years ago to join him as a sponsor in his truth-in-lending bill in this House, and I am privileged indeed to welcome him to this committee today to discuss this legislation which is so dear to his heart.

Our witness has served the Nation with great distinction and is continuing his dedication to public good, as again exemplified by his appearance here today and, Madam Chairman, I would like to commend our distinguished, our outstanding, our very able and beloved witness—to compliment you, sir, on your excellent testimony and congratulate you, and I am sure in the deliberations of this committee that we can shape up a meaningful and most effective bill.

Mr. DOUGLAS. Thank you very much.

Mr. HALPERN. Now, Senator, one of the basic purposes of the consumer protection bill along with the desire to end the abuses unwittingly suffered by many customers is to promote economic stabilization