of credit might become unavailable to the consumer and what of the related idea that the finance charges are often necessarily high and rather than be forced into disclosure of these rates the lender would simply not supply this kind of service.

Miss DRAPER. I am not sure I can fully respond to that. One thing that occurred to me when I was considering that last point was why they should make big credit charges on such small items at all. I think the merchants can probably speak to this point better than we can, as to how burdensome it would be.

Mr. BIEMILLER. Let me add to that. What we are particularly concerned about here is the sort of merchant that Congressman Stephens was referring to—in my dialog with him—the type of unscrupluous merchant who we think would use such a loophole to sell a family a $55 item, a $44 item, and a $33 item at the same time. That he will insist, under the Senate-passed bill, in not disclosing what his finance charges were. This is the kind of thing we are talking about. I think also the point that Mrs. Sullivan made toward the end of her colloquy with Senator Douglas about the finance charges was a very excellent example of the kind of thing we are after here.

I repeat, as I also said to the chairman, during an earlier colloquy, I am not saying that everyone would do this, and I think most department stores would not do it, but I am talking about the fact that loophole does exist.

Furthermore, I don't know why a $55 item is any different than a $120 item in terms of the fact that I think there ought to be disclosure of the finance charges.

Mr. STEPHENS. One question. If that is possible under the Senate bill, it is possible for an amendment to be made where the $10 could still be exempt but the account must be considered as one entity and this would stop the loophole.

Mr. BIEMILLER. That would correct that type of loophole but not the type of example Mrs. Sullivan gave.

Miss DRAPER. It wouldn't help too much on the revolving credit, assuming it gets put back in the bill. I think the average revolving credit balance is somewhere in the neighborhood of $100 and they could just manage to stay under it even if you included the whole thing.

Mrs. SULLIVAN. Frankly, I do not think it would involve the revolving credit plan except for those who wanted to seek a loophole.

Mr. BIEMILLER. That is right.

Mrs. SULLIVAN. I think it would apply more often in single purchases—single personal loans. I would say the majority of those who need money desperately often are those who have to go and borrow $55 or $100, and have to have it right now, and it makes no difference to them what they have to pay for it. But if they can be educated they can be protected against their own lack of knowledge on credit costs. These changes are needed and would be helpful.

Mr. BIEMILLER. And also, may I add to what you said—I quite agree with everything you have said—those people who get pressured into buying a $55 item without being told what the finance charges are, I think sometimes those of us who live in the comparatively affluent society, as most of us do, forget how many people will buy a $55 item and pay for it in six or seven installments. This is the kind of thing. This is where the real evil would be.

Mrs. SULLIVAN. I have had many experiences with this problem in my city because I have stayed very close to my constituents in the low-