by the Senate, and H.R. 11601, two provisions, taken together, will accommodate our recommendation. The first, which appears in section 202(f) of the House bill, defines the term "annual percentage rate" as "the nominal annual rate determined by the actuarial method (U.S. rule)." The second appears in sections 204 (a) and (b) of the bill, directing the Federal Reserve Board to prescribe "regulations with respect to reasonable tolerances of accuracy." These two provisions taken together should greatly simplify computation of annual percentage rates by the creditor.

We are happy to note that two of our suggested amendments are contained both in S. 5 and H.R. 11601. One, which appears in section 204—"Regulations"—of the House bill, concerned the use of standardized charts and tables in the satisfaction of the disclosure requirement. Use of these, we believe, could greatly lessen the computation burden upon businessmen. The other, appearing in section 205(a) of the House bill—"Effect on State Laws"—makes clear that the provisions of this law for disclosure of finance charges are not intended to affect State usury statutes dealing with interest rates—as compared to finance charges covering servicing.

The above changes, together with the provisions of the bill giving broad authority to the Federal Reserve Board to prescribe regulations to carry out the purposes of the act, to set forth guidelines for the use of simple rate charts and to permit adjustments and exceptions, will provide assurance to businessmen that a full disclosure law will not impose needless administrative burdens upon their daily business operations.

In my view the disclosure-in-lending provisions of H.R. 11601 would carry out President Johnson's recommendation in his message to the Congress on February 16, 1967, on consumer protection, when he said:

> I recommend legislation to assure full and accurate information to the borrower; and simple and routine calculations for the lender.

While the bill contains a number of other provisions not directly related to disclosure in lending, I have directed my remarks to those proposals in the bill which have been subjected to thorough debate over the last several years. While some of these other proposals which do not relate to disclosure in lending deserve study, it is our opinion that action should not be delayed on legislation requiring the full disclosure of charges in credit transactions, to make it possible for borrowers and charge account customers to compare credit costs and shop wisely for the best terms. We respectfully suggest, therefore, that these additional proposals be deferred for further study by Congress and the executive branch.

Some opponents of credit disclosure legislation have suggested that its enactment would result in a substantial decrease in consumer credit, with adverse effects on business. In am sympathetic with their concern but do not believe such apprehensions are justified. On the contrary, a full disclosure in lending law will be beneficial to the economy and encourage the sound use of consumer credit. I am confident that with a full-disclosure law, business will be better off—that the benefits to business will more than offset whatever initial compliance problems may be encountered. These benefits would include:

(1) Better educated customers who will understand the mechanics and use of credit, the costs to business in extending credit, the meaning