

Mr. BINGHAM. Do you not feel, however, that small purchasers are the ones most likely to take advantage of this and they are not going to be the ones who will go to court to protect themselves?

Mr. DIXON. It is a fear, a legitimate fear.

On the other hand here, the small party would be afforded under S. 5 approach, would be afforded if his cause was just, would be afforded double his loss in effect, plus attorneys fees, and I would think that maybe there might be enough inducement for attorneys to get quite interested in this type of practice.

Mr. BINGHAM. I would like to address some questions to Mr. Greenberg.

In Mr. Moot's statement concerning the issue of garnishment, there was this statement:

Garnishment is very often the only legitimate means available to a businessman for final satisfaction of debts due him.

If my understanding is correct, Mr. Moot, the Administrator, comes from the State of Texas?

Mr. GREENBERG. No, sir; that is not correct.

Mr. BINGHAM. What I wanted to point out is, three States do have statutes prohibiting garnishment and we have information available to the committee, some of it summarized but there is no correlation, apparently, in the amount of installment credit which is extended in those States that have tough antigarnishment laws and those that have none.

Mr. GREENBERG. First, Mr. Moot comes from New Jersey and is living in the State of Virginia. I think what Administrator Moot was trying to say is that this is not the only means, but is an important means.

Further, because of the complexities of the situation he suggests that the subject be given further study and then all available information be before the Congress and the appropriate committees before any final action is taken.

Mr. BINGHAM. I understand that is the position not only of the SBA but the position of all of the executive agencies, the administration's position, and as I said before, I am very much disappointed that we are not being given any more useful comment from the executive agencies.

If I may, I would like to get briefly to the question of revolving credit and particularly on the matter that Mr. Dixon was discussing with Mr. Stephens. The difficulty or the alleged difficulty of calculating an annual percentage rate—I would like to call your attention to subparagraph 3 on page 7 of our bill, H.R. 11601, where the definition of "equivalent annual percentage rate" is given as the rate or rates computed by multiplying the rate or rates used to compute the finance charge for any period by the number of periods in a year.

In other words, under this bill all the retailer has to do if he has not been making the monthly charge of $1\frac{1}{2}$ percent and he called it $1\frac{1}{2}$ percent a month, all we are asking him to do is that in effect that is 18 percent per annum. Is it not true, Mr. Dixon, that this poses no burden on the businessman at all?

Mr. DIXON. I didn't think it would impose one on him; no sir. Because I thought that was what the bill was addressed to. You weren't trying to arrive at how to compare rates, you were trying to set a per annum expression so it could be compared.