

Father McEWEN. That is not true. It is actually levied, $1\frac{1}{2}$ percent on the dollar, that is what is actually levied.

Is that not true, Mr. Walker? One and a half cents on the balance, for each dollar in there, is what is actually levied?

Mr. WALKER. That may be—there may be no balance.

Father McEWEN. I am presuming there is a balance.

Mr. WILLIAMS. Let me make this suggestion, please.

Dr. Wooley was the man who did make the presentation on this chart before us and he did explain the chart which is part of appendix A of the statement made by the American Retail Federation and their representatives here yesterday.

In addition to that, in the testimony before the Senate, on page 216, the company which is engaged in the litigation in Massachusetts has presented documentary evidence to the effect that the actual finance charge rate on the average charge account is 9.46 percent. They had some supporting evidence here.

I would like to have your comments on both the information we received yesterday from the American Retail Federation and the testimony before the Senate which reports the fact that the way they are applying this supposed $1\frac{1}{2}$ percent is the balance from the first of the previous month and often it much less than 18 percent per year.

You can submit your comments for the record on that. I think that would be helpful.

Father McEWEN. Well, Mr. Williams, there is no question in my mind but that they have worked out these cases truthfully and accurately, but the question comes in the number of days in which there is no interest, as Dr. Walker said. And he said sometimes his accounts actually bear no interest. If you lump these two together you come up with the actual result.

Mr. WILLIAMS. If we are looking for truth then we have got to take all these factors into consideration, and if on revolving credits or revolving charge accounts, you are not paying 18 percent interest annually, then I can't see why we should force the people to say that they are.

Father McEWEN. Mr. Williams, the legislation asks that the creditor say not what you will be paying actually—because he can't know that in advance—but at what rate is he levying a charge when and if you incur a charge. And he is levying a charge at the rate of one and a half cents per dollar. And that one and a half cents per dollar is one and a half percent per month and 18 percent a year.

Mr. WILLIAMS. I have no quarrel with forcing a full and complete disclosure of the interest or service charges, and everything else, but if it is going to require a more likely statement on the invoice or wherever it appears, fine, but we have got to take the statement. And 18 percent per year, from the testimony we have heard here, is not an accurate statement.

Father McEWEN. I beg to differ. And as a matter of fact, if you will look at the very same Senate hearings on page 118, you will find an ad from a most reputable firm in Boston, the First National Bank, which ad says:

If you have signed up for a credit card lately, take a look at the back of it. What does it say you must pay to use it? One and a half percent a month. In terms of simple annual interest, that is 18 percent.