Do you agree with me in my concept of the new "revolving math," that no matter how you slice it, or with what grace or grace period, that 1½ percent service charge made by the stores is for a specific 30 or 31 days, one-twelfth of a year, that is 18 percent on an annual percentage basis?

Mr. WALKER. Yes, but the customer may not be paying 18 percent in interest, but 18 percent is the rate.

Mrs. SULLIVAN. Because it is assessed for a particular segment of the calendar consisting of 1 month, no more and no less.

I want to thank you very much. You may not agree with everything in this legislation, but you have been helpful in sharpening up the issues, and you have made some good points which we will certainly consider. You seem to be under a misapprehension that the provisions of H.R. 11601 which are not restricted merely to disclosure of interest or finance charges are "outside of the scope of the accepted legislative intent of the bills before this committee," as your statement put it.

Let me make clear that those of us who have sponsored H.R. 11601—the six of us on this subcommittee and some 22 other Members of the House—believe we need far more than mere disclosure to correct inequities and abuses and misuse of credit by both lenders and borrowers.

Nearly all of our witnesses so far have gone out of their way to avoid grappling with the issues which we raise in H.R. 11601 which go beyond disclosure, as if we really didn't mean any of them. Well, we may not win them all, but we mean them. Don't be surprised if all these ideas eventually become Federal law in some form, because they are directed at balancing the economic scales, which is a traditional Federal role.

And my last comment, in thanking you gentlemen from the ABA for your testimony, is to assure you that we have no thought, idea, or intention of proposing standby controls for use now or in the foreseeable future "to meet current inflationary pressures," as you put it. I am sure the ABA would be the last organization in the country to imply that the Federal Reserve Board would use a war club like standby credit controls in order to combat a 5-cents-a-pound increase in hotdogs in August.

We appreciate your being here. And I thank you for your patience. When you correct your transcripts, you are free to add or correct anything that you wish and to send it back to us and let us have it as quickly as possible.

Thank you very much, also, Father McEwen. You have put this issue on a basis which is often ignored, but is indeed vital, and that is the essential decency of bringing about long overdue reforms of credit abuses as a spiritual obligation. Your service to the consumer cause in this country has been further demonstrated in your testimony today.

We will adjourn until 10 o'clock Friday morning, when we will hear a panel of outstanding Federal bankruptcy referees who have amassed great experience and knowledge about the tragic misuse of consumer credit leading to the wiping out of billions of dollars of obligations through the drastic remedy of bankruptcy.

(Whereupon, at 3:45 p.m., the subcommittee adjourned, to reconvene at 10 a.m., Friday, August 11, 1967.)