volving credit as on the traditional installment contracts. Sears now sells almost $4 billion worth of goods on credit (about 58 percent of all its sales). About 40 percent is for "soft goods" like clothing and domestic textiles which families traditionally bought for cash, but now often buy in revolving credit.

Spiegel's, a mail-order house owned by Beneficial Finance Co., actually does 90 percent of its business on various types of credit plans including revolving credit.

A Spiegel official several years ago referred to his firm as a combined loan company and store. That is not the only large retail organization that has become a combined loan company and store.

Some of America's largest merchandisers and manufacturers in effect have become combination stores and finance companies, including many who until a few years ago sold very little on credit.

Sears, Montgomery Ward, Penney's—traditionally a cash store and the last large holdout from credit—W. T. Grant, City Stores, Alden's, Gamble-Skogmo, and other large chains and catalog houses, now all own their own finance companies.

What I am going to say next is very significant of why we have to be concerned.

In reverse, some loan companies have been buying control of chains of stores which generate credit accounts for them. Beneficial Finance Co. now owns Western Auto Supply Stores as well as Spiegel's. Household Finance Co. now owns the White Stores, Coast-to-Coast Stores, Ben Franklin Stores, and the Colby Furniture Stores in Illinois—a total of over 4,500 stores.

Most of these large retailers now are promoting revolving credit especially hard. Montgomery Ward, for example, devotes more than twice as much space in its catalog to its revolving credit plan than to its three traditional installment plans put together. I have no breakdown on the proportion of its credit business Ward's now does through revolving credit, but Ward's now makes 47 percent of all its sales on credit even though it was a relatively late starter in pushing revolving credit. Even a variety chain like W. T. Grant which has broadened into a junior department store type of operation now does 25 percent of its business on credit, especially pushing a type of revolving credit called coupon books for small purchases. The true annual rate on coupon books—which you spend like cash in the store—can amount to as much as 31 percent for the smaller denominations.

They are pushing credit at us from every direction.

Recently a housewife bought a $9 bedspread from one of the large mail-order houses. When the bill arrived it gave her a choice of paying the $9 in 20 days or paying it on revolving credit—$5 now and $4 the next month.

An Akron family who had made purchases of a number of small items on a revolving credit account from Alden's found themselves behind in payments because of a work cutback. One day a letter arrived from the mail-order house warning that they would have to go to the man's employer. While the family was worrying because they knew that the employer fires for a garnishee, in the next mail another letter arrived from the same retailer urging them to make more purchases on their revolving credit account.