

Dr. Richard Morse, a vocal proponent of Mrs. Sullivan's bill, H.R. 11601, made a survey of 19 retail stores in 8 states to demonstrate the various types or methods of assessing service charge on revolving credit account. The survey is reported and contained in a booklet entitled "Truth-in-Lending", published by the Council on Consumer Information. The above chart is found on pages 26-27 of that pamphlet.

All of the above retailers would be forced under H.R. 11601 to tell customers they will be charged 18% annual rate. Query: *How can the customer who pays \$5.44 and the customer who pays \$2.28 both be paying 18%? The fact is neither are and one pays less than half the rate of the other.*

Mr. ANNUNZIO. Will you yield at this point before the professor answers?

I would like Mr. Margolius to answer Mr. Williams. He asked you a question; can you substantiate the facts?

Mr. MARGOLIUS. I really resent that, Mr. Williams. You didn't ask me if I could substantiate it or not.

Mr. WILLIAMS. I will ask you now. If you have substantiation, I don't know why you did not bring it out before I had to ask you.

Mr. MARGOLIUS. The case of the—

Mr. ANNUNZIO. On the letter of the woman from Chicago—can you substantiate this letter?

Mr. MARGOLIUS. Do you want to read the letters?

Mr. WILLIAMS. I assume the letters state what you state.

Mr. MARGOLIUS. The case of the Denver woman who bought the vacuum cleaner worth \$70 on the referral plan. That was investigated by Gerald Kopel, a member of the Colorado State Legislature and editor of the Bankruptcy Newsletter which is a nationally used newsletter.

The case of "sewer service" investigated by Assistant Attorney General Frank Pannizio of New York City and he said that in 612 cases the post office could not locate 201 persons at addresses where process servers swore they had served them.

I am an old journalist, Mr. Williams, and I am not likely to use cases that can't be proven. I have got all kinds of documentation, letters and so on.

Mr. WILLIAMS. Out of 600 and some addresses they couldn't find anybody at 205 addresses. What period of time had elapsed in between the time that the complaint was filed and this investigation took place?

Mr. MARGOLIUS. I don't know. I would have to go through this.

Mr. WILLIAMS. That is important—in a period of 6 months a lot of people can move. What addresses were used? Were they the addresses the purchaser gave to the person extending credit?

Mr. MARGOLIUS. That is not the point. The process servers said they had served the people at these addresses. The process servers swore they served them at these addresses but the post office could not locate 201 persons.

Mr. WILLIAMS. What period of time elapsed? I am interested in the time the process servers were supposed to serve the process. You say you don't know and I say that is a very important factor in this investigation.

Mr. BINGHAM. Point of order.

Mrs. SULLIVAN. Let's go on with the questioning. I want to say this: In my own files—and these are from my people in St. Louis—I have