

Mrs. DWYER. Do you know whether retailers charge less than 18 percent? How many do charge less than 18 percent?

Mr. MORSE. Mrs. Dwyer, I am a little bit boxed in. I think this is a question the industry should answer. I don't have the resources to survey all of the various procedures. I walked into this matter of revolving credit cold. I used to give public lectures and be asked such questions as "What happens if I pay up on the 15th of the month?" But I began serious study of it at the suggestion of Mrs. McNaughton, then a staff member of the American Home Economics Association. She said, "Dick, you have done a good job of figuring how car financing works; how about getting students to figure out revolving credit?" I almost flunked two students before I found out they were right and I was wrong. I had worked out a sample billing problem in such a way the retailers figured out there was no charge. Then I began to learn what this 30-day free ride is about all.

I don't know whether you would be interested, and I don't mean to fill the record, but I have a report of some practices. After the Senate hearings I went home and compiled it. I sent it to Mr. Proxmire. I canvassed Topeka, Kansas City, and Manhattan, Kans., and I happened to be down in Dallas, so I got together all the variations of different stores and this is it, summarized. I can't answer your question in terms of what is present practice because it is such a terrific amount of variation. None give—the top rate is $1\frac{1}{2}$ percent—this is answering your question. I think some give $1\frac{1}{4}$. Pennsylvania law is going to limit it to $1\frac{1}{4}$.

Some have a graduated system whereby, if it is 1 percent or three-fourths percent on larger balances—a double system—I have already spoken of that problem.

Mr. WILLIAMS. Could we have that document in the record to which Dr. Morse is referring?

Mrs. SULLIVAN. If he wishes he can submit it and we will check it over.

Mr. MORSE. This is a letter I wrote Senator Proxmire.

Mr. WILLIAMS. Thank you.

Mrs. DWYER. Dr. Morse, there is a great deal of competition in the credit market?

Mr. MORSE. Terrific. But—

Mrs. DWYER. Under existing law?

Mr. MORSE. Yes. I grew up in the days when we didn't have Little League ball games. We had a lot of competition then. But I think it is very organized at the present time and still much competition. The terms of the trade in consumer credit are not sufficiently clear that you have clean competition in credit from the consumer's point of view.

Mrs. SULLIVAN. Ninety days is still cash, isn't it?

Mr. MORSE. One of these stores gives 90 days cash.

Mrs. SULLIVAN. Mr. Gonzalez?

Mr. GONZALEZ. Thank you, Madam Chairman.

First I wish to take this opportunity to—the first I have ever had to thank and congratulate Mr. Margolius for the tremendous job he has done over the course of years. I think my first acquaintance with his work was reading his articles in the Machinist magazine years ago