

So his out-of-pocket expense was \$1,590. He was out really \$4,290 and he didn't have a pool at all. All of that was legal.

So, I can assure you that the application of the law did not follow—it is handled partially in some regards.

As far as the discussion that we have had about the rate yield, I think this has been very helpful and I would draw your attention on page 86 of this article in the U.S. News & World Report. The thing that interested me wasn't in the article at all but on page 86 there is an ad in there for the savings and loan company there.

Now, that tells you something between applied rate and the yield. But further than that it gives you some additional information here because it tells you also they pay the postage for the deposit, and in addition to that I can remember at a time when they would give you a certificate if you made a deposit of a certain amount. So that it seems to me the total picture of credit, Madam Chairman, does not begin and end with the statement of a fixed rate of interest because you are going to be having these on his charge accounts.

Let's talk about the "free ride." Lots of times it is not a free ride. It is an option for a free ride. It says you will get 30 days additional free credit if you pay on a specific date. If you don't you don't get the free ride. So, there are the symptoms to me, there is a whole plethora of different kinds of things that can occur prior. I want you to comment on this: what do you think will happen if we were to have this fixed annual rate, and I agree it could very well be legislated. There is nothing complicated about it.

But what do you think would happen in terms of the competition between the various stores in relation to price, to charges like these credit charges, because you can give free credit if you have your price right and your finance charges—you could give free credit and still come out with an amount of money—aren't we dealing here in a matter that doesn't begin and end with a statement of a fixed rate of interest insofar as the load is going to be on the consumer and what the avenues of exploitation are for the seller?

Will you please comment on that?

MR. MORSE. You are not talking about the other part of the bill dealing with the 18 percent ceiling, are you? You are talking about revolving credit.

MR. HANNA. Revolving credit.

MR. MORSE. Mr. Hanna, I don't think it would make a ripple of difference. I have shown how Sears could show this by merely imprinting on their bill. Many of them are now quoting 11½ percent. And I have yet to be impressed with the fact that people are going to shudder too much when told it is going to be 18 percent. And if this bill passes they will learn how their cars are being financed—they are going to get accustomed to knowing their rates are well above 6 percent.

I don't think this would make a whit of difference.

I didn't answer Mrs. Dwyer's point very clearly. One other criteria that I use which I think is very important is that, information should be expressed so that the customer can check back on the creditor. I think they can supply sufficient information that consumers can verify their own statements. This Sears bill gives all that information, yet