

buying, then that person had no business in buying the item in the first place.

The fears expressed in certain circles prior to the passage of the Massachusetts legislation have not been proven justified. One common complaint involved the alleged difficulty of expressing the true annual rate particularly where revolving credit accounts were involved. The usual complaint was that the buyer, and not the seller, controls the dates of purchases and payments and consequently can vary the rate of interest in accordance with his own schedule. Indeed, in many such accounts, if the buyer should pay his bill in full within 30 days of his purchase, then no interest charges at all would accrue. It seems to me that the buyer is interested in knowing what period he may carry indebtedness before incurring any interest charges and also is interested in knowing what the interest will be when it does accrue. Nothing in the Massachusetts laws prevents any seller from disclosing the first of these items to the buyer although only the second is required to be disclosed by our laws. Surely, if one of the purposes of truth-in-credit legislation is to allow buyers to "shop" on credit—the critical time from the buyers' viewpoints is the point at which a credit charge becomes due; that is the point at which his "shopping" becomes relevant, and at that point he should know the seller's true annual rate from then on so that he could, if he chose, compare that rate with some alternate source of credit. In Massachusetts, on a revolving credit account $11\frac{1}{2}$ percent per month or 18 percent per year is the common rate of interest (after interest begins to run) and if a buyer can do better elsewhere (again at the point when interest begins to run) then he ought to at least be given enough information to enable him to make an intelligent choice. Whether the buyer so chooses or not is up to him and indeed further consumer education is obviously necessary to help buyers make a rational choice. But even if consumers currently were not making such a choice, and I believe they frequently are, it would still be no valid argument against passage of truth-in-lending legislation. Once the facts are known, the consumer can be taught how to use those facts.

In Massachusetts, in my experience, retailers have generally been very cooperative with our office in living up to the letter and spirit of the laws. I have heard no comments from retailers nor have I seen any evidence that their volume of business has dropped off. I have spoken to bankers about the effect of the laws on their business and have been told that there has been absolutely no adverse effect on their business.

These laws are working well in Massachusetts, I think that similar legislation will work well on the Federal level. I think that the public interest requires legislation of this nature.

Thank you.

Mrs. SULLIVAN. Thank you, Mr. Meade.

Those members who have gone to vote will soon be back, I am sure. In the meantime, Mr. Smith, would you like to make your statement now?