

Mrs. SULLIVAN. Thank you.

Mr. Williams?

Mr. WILLIAMS. Thank you, Madam Chairman.

Mr. Smith, is not what you just described a means of circumventing the Massachusetts law?

Mr. SMITH. The Massachusetts law does not regulate the selling price; that is, the cash selling price of any article.

Mr. WILLIAMS. The unscrupulous businessman does have the means of circumventing this law?

Mr. SMITH. That is correct.

Mr. WILLIAMS. Mr. Meade, I note in your testimony that you speak almost entirely to the Massachusetts law on truth in lending. Have you made a study of this bill that we have before us, H.R. 11601, and compared it with the Massachusetts law?

Mr. MEADE. I wouldn't say I have made an extensive study, Mr. Williams, but I have read it.

Mr. WILLIAMS. I am very much interested in your testimony because you are in a position very close to my heart, and I would like to have you, if possible, if it would not be too time consuming on your part, to make a comparison, to give this committee the difference between these two laws. Because obviously your law does not permit—I should say it does permit garnishments. It does permit garnishments of wages and H.R. 11601 does not, and there are some differences, apparently.

Mr. MEADE. We don't have anything to do with commodity futures in our law, another difference.

Our truth-in-lending law as opposed to our truth-in-installment laws, sets out no rates whatsoever, maximum or minimum, on credit.

Our truth-in-installments sales and services does set maximum rates. I gather H.R. 11601 would set it for both lending—in other words, the credit on the sale of money as well as the sale of goods.

Mr. WILLIAMS. If you could give us a breakdown for the record perhaps we could all have the advantage of whatever differences there are between H.R. 11601 and the Massachusetts law. I know that I am very much interested in it.

Mr. MEADE. Certainly. (The information may be found on p. 891.)

Mr. WILLIAMS. Relative to this *Penney* case, on this 11½ percent a month, I do not believe you are saying that they can do what they are saying they cannot do. I think what you are saying is that they can put some additional explanatory statements on their billings.

Mr. MEADE. That is correct. They do have to put 11½ percent a month, 18 percent a year, and I don't think they are complaining so much about that, per se, except that they say they cannot go further and explain it.

Mr. WILLIAMS. In their testimony before the Senate committee, I believe it was, and I made it a part of this record last week, they are claiming that they object to saying they are charging 11½ percent a month, 18 percent a year, because it does not amount to that—what they are saying is that they are being forced to make an untruthful statement.

Mr. MEADE. I don't think they are saying that in their suit. They are saying they are being forced to make an untruthful statement because they cannot say the whole truth which is their way of thinking that