

says if your bill reaches a certain amount you must pay a certain amount each month.

Now, do all of the stores from which you took these 40 examples that you have on the chart—and I am not referring to Mr. Kimball's store, for he has already answered this for his store—but do the others in their revolving charge accounts tell each customer how much they have to pay a month?

Mr. WOOLEY. To the best of my knowledge, and Mr. Cianca, who wasn't here is here now, he is probably better qualified to answer this question than I am—but to the best of my knowledge most stores require a certain minimum payment as the balance reaches different dollar levels. The minimum payment that I have been familiar with is a \$10 minimum per month.

Mrs. SULLIVAN. I have had charge accounts in every store in St. Louis and every store up here in Washington and I have never had one of them tell me how much I have to pay a month.

Mr. KIMBALL. Madam Chairman?

Mrs. SULLIVAN. Mr. Kimball.

Mr. KIMBALL. The purpose of this—

Mrs. SULLIVAN. I see your purpose. You are telling the people what they have to do.

Mr. KIMBALL. No, this is to encourage them to bring the total amount outstanding down. Most retailers, when they allow credit to different people put ceilings on what their ability to pay is. We don't want them to get overindebted to us.

If a person should say, start charging \$100 a month and making \$15 payments and continue to charge \$100 a month, at the end of 5 or 6 months he would be up to \$400 or \$500. He would be extended over 24 months, maybe, and we don't want to get involved with our accounts and most reputable merchants don't want to get involved with their accounts, so as the balance goes up we encourage them to pay more so they will be more open to buy and come back and do more shopping.

The main purpose of the service charge is to encourage them to pay faster and we find this is actual practice.

Mrs. SULLIVAN. Are there any other retail men in the audience who have any knowledge about the practice of other stores in telling customers how much they should pay each month?

(No response.)

Mr. STEPHENS. I am not a retail man but in the years I have been paying this money, I know that everyone that I have received—a bill like one from Sears, Roebuck carries that on the back and I believe most of them carry the minimum amount and tell you exactly what you are required to pay in order to stay in business. Most of the bills that I have had do give that information.

Mrs. SULLIVAN. I have never seen it on a Sears or Montgomery Ward bill.

Mr. KIMBALL. You had a witness here from the discount department store in Boston recently, and in their credit application they have something very similar to this, only their requirement is a 10 to 1 ratio where my minimum is 6 to 1.

This form that we have is copied from Gimbel's in New York.