

Mrs. SULLIVAN. Is that on the monthly invoice or is that just on the form the customers fill out when they sign up?

Mr. KIMBALL. The discount department store that testified here at your committee has it on their application and also has it on the forms like this, that they have it throughout the store and give it to customers. As a matter of fact, I took the time to go into this store in Boston and tried to apply for a charge account and this is the information they gave me. They spoke nothing of an annual rate at all. They just told me what my monthly rate would be and how much the payment would be required if I bought a sewing machine or radio or television and it varies. Some stores have a 10-to-1 ratio, some have a 12-to-1 ratio. Ours happens to be 6-to-1 ratio.

Mrs. SULLIVAN. Did you go in there before—

Mr. KIMBALL. This was a month or so ago.

Mrs. SULLIVAN. Mr. Willett Smith was in here Monday from Lechmere's in Cambridge.

Mr. KIMBALL. This is the store that I am referring to.

Mrs. SULLIVAN. He showed us where they do show an 18-percent annual percentage rate on their statements.

Mr. KIMBALL. It is on their application but I went in as a customer. I didn't go in as Mr. Smith. I went in as a customer for the purpose of buying an appliance and the clerk told me to go to the credit department which I did. They gave me a form, an application form which in very condensed type on the left-hand side did state, not in numbers but in letters the words "18 percent" spelled out.

On the right-hand side of the application was this information, similar to what we have done here and the girl taking my credit application told me that my payments should be at this rate which was one and a half percent of the unpaid balance. She said nothing about 18 percent.

Mr. WYLIE. Will the Chairman yield?

Mrs. SULLIVAN. Mr. Wylie.

Mr. WYLIE. I have a question for anyone. Perhaps Dr. Wooley should respond because he has been referring to it. It might be more appropriate.

Could not each seller using revolving credit state an average annual rate?

Mr. WOOLEY. I think—

Mr. WYLIE. What I am thinking here is, the Chairman has indicated that revolving accounts set up on the basis of $1\frac{1}{2}$ percent per month should state interest rates on the basis of an annual rate of 18 percent. You say that is not possible. Is it possible to show an average annual rate in each store?

Mr. WOOLEY. This could be calculated for prior year periods. I have no doubt about that. We do have some slight samples of this and it comes out around 10 to 11 percent as the actual rate that is paid. Something that could be worked out but it would have to be historical. It would not tell a customer in advance what he had paid.

Mr. WYLIE. I was thinking it might be done from the previous year's accounts.

Would it be possible for a member of this committee or a member of the staff of this committee to go into a store to check accounts to demonstrate this is not a stacked deck?