Mr. KIMBALL. I live in Portsmouth, N.H. We are on the New Hampshire seacoast; we have delicious lobsters. I would be most happy to invite you as our guests to Portsmouth to a nice shore dinner and I would take you into my store. We have 7,000 charge accounts. They make 200 payments per day; they have 4,000 charges per day, entries made. We cannot tell prior to anybody's account when they are going to come in to buy anything, make a charge. We cannot tell when they are going to make a payment. They can make it on the 23d day or 32d day. We never know when the collections are going to come in.

It is impossible prior, as your bill requires, the explanation, and I note also your definition on page 6 of "annual percentage rate"—says U.S. rule by an actuarial method. I assume that is what we learned in grammar school. That means on the per diem basis. If the customer makes five payments during the course of a month—they pay by the week—it is impossible for me to know whether they are going to pay me $2, $5, or $10 and tell them any percentage rate according to the way this bill reads and, as a matter of fact, in my store it wouldn't be 18 percent anyway.

Mrs. SULLIVAN. I am going to let Mr. Wylie have his time now; we will all have time to question.

I would just like to reply to what you said though, by pointing out that we don't know how much interest we are going to get when we put money in a bank, either, because we don't know at that time how long we are going to leave it in. They tell us they are going to pay us so much but it all depends on what we do.

Mr. KIMBALL. If you take your money out of the bank you don't get any interest. But if you do put it in the bank on a certain day they tell you if you put it in by the 10th of the month or by the 1st they will pay you 4½ percent providing you leave it in for 3 months or 6 months. This is something they tell you you are going to do. But it is impossible—I have been down to the Douglas hearings and Proxmire hearings and I asked the committee—I am most willing to explain to my customers in the language they can understand and disclose all of the information if you will just tell me how to do it. Nobody has been able to tell me or any other merchant how to compute it.

Mrs. SULLIVAN. Mr. Wylie?

Mr. WYLIE. Would you have objection to stating in dollars and cents in cash how much a customer has paid out over a year's period in interest and/or service charges?

The point of my question is this: I doubt if stating an interest rate on a monthly basis or an annual basis is very meaningful to most customers. And showing charges in dollars and cents, in cash, how much they have paid out is much more meaningful.

What would be your feeling about that?

Mr. KIMBALL. I think the consumers, when they are trying to buy something, they are trying—let's say they are buying a dress—they are primarily interested in whether the dress fits, whether the material is what they want, how good it looks on them, and then they are going to buy the dress. They are not interested in the rate of interest at that point. They are buying the dress which they like. However, when they get the bill at home at the end of the month they want to be able to figure out what the service charge of 38 cents was on their bill.