

an educational process of telling him ahead of time, we can begin the education now by saying at the end of the year, "We will let you know whether you paid 10 percent or 18 percent?" I would like to know how burdensome you would consider that?

You might not want to go into it now but would want to think about it a little bit and provide it for the record.

Mr. KIMBALL. I have an answer.

The majority of stores in this country are small stores. They are stores that do anywhere from \$75,000 to a million dollars annual volume. We don't have computers, we don't have large staffs. Our margin of profit is very minute when compared to the total volume of business we have to do.

Just as I have to control my billing costs and saving on postage stamps and envelopes, any additional information such as you suggest—our machines do not have totals—could give us the total service charge. Our card has no space and Kimball's is a modern store. There are little "Pop and Mom" stores that don't have any machines at all.

Mr. STEPHENS. How many of the kind of stores that you have talked about use revolving credit?

Mr. KIMBALL. A great deal of them. This is becoming more and more prevalent because people are asking for extended terms. In other words, if they would pay their bills in 35 days or 60 days it wouldn't be too burdensome. But when they want the credit extended over 6 months or 10 months or a year we have to put a service charge on to encourage them to pay their bills faster.

But for me to keep a record, I have 7,000 accounts and then to take a total of each customer's purchases for a year and the total service charges and then figure that out and everyone would be a different answer, believe me—simple annual rate. If you came up with a formula—it would be complicated.

Mr. STEPHENS. Let me point this out.

Mr. KIMBALL. It would be very burdensome to the small stores of the country.

Mr. STEPHENS. I agree personally that you can't tell a man ahead of time how much he is going to pay. I agree with the thoughts of Mr. Wooley. I also would like to comment on the fact that I agree with what Mr. Keyserling says, too. That sounds like it is a paradox but it is not. We are not going to tell the customer the truth in the sense of what the retail merchant would consider a fair competitive interest rate if we tell him what you would have if you let his account go for the entire year and paid $1\frac{1}{2}$ percent—it will amount to 18 percent if you go the whole year.

I can see the merchant's standpoint on it. Because the man looks at that and says if I am going to pay 18 percent I am going to borrow the money someplace else. But what you are saying is, he is not going to pay 18 percent if you have these other factors and I think that the answer to the thought that I had and the purpose that I have in mind in supporting any truth in lending proposition was to give the man an opportunity to compare, but I don't think it has to be in prospect. It can be in retrospect.

To conclude what I have to say, and pertinent to our inquiry, is the story I heard which concerned a man that had a country store. He gave credit to a farmer for his food and fertilizer as well as all the items