tain they will prove most helpful to this committee in developing an effective and meaningful bill.

I am also delighted to see our dear friend, Esther Peterson, here. Few persons know the subject before us better than this great lady and these hearings would be incomplete without her. It is a pleasure to have you here and I welcome you to this committee.

Mr. Secretary, you stated that the original version of S. 5 is preferable to the bill finally passed in the Senate.

The bill in the other body excluded revolving credit, small transactions and first mortgages.

Could you possibly elaborate on the actual disadvantages that might occur in the final version of S. 5, if that were to be passed?

Secretary WIRTZ. Not helpfully, Mr. Halpern. I think the bill as it came out has many good features. As for elaborating the significance of the three changes which were made in it, I would have no specifics to spell out the significance further. I think the largest one, the one that bothers us most, is the elimination of the annual percentage rate on open end or revolving credit. That has come into very general usage. I would grade them this way: I would think that is significant. I doubt if the elimination of the provision of the coverage of the first mortgage has anything like equal significance.

Now, I can tell you that as far as the third one is concerned, where the disclosure provisions do not apply to transactions where finance charges are less than $10, that is going to cut pretty deep as far as poor people are concerned.

Mr. HALPERN. You feel that the bill should include all transactions where the finance charges are $10 or less.

Secretary WIRTZ. No question about it. But I have to couple that with just the practical reaction that right now—and I don't propose to intrude upon the province which is yours—we need to pass this very important truth-in-lending legislation.

If I seem a little timid about not wanting to risk that, it is because we have wanted it for so long. That's the only qualification.

Mr. HALPERN. I would like to clarify some of your earlier remarks.

First, you stated that you don't think it would matter whether you disclose rates on a monthly or annual basis—an annual rate—as long as all rates are comparable, yet as long as savings accounts, bank loans, and other financial instruments express their interest or service charges on an annual basis for purposes of competition, is it not necessary to express other credit charges on an annual percentage?

Secretary WIRTZ. I want to be clear, I think it should be on an annual basis.

Mr. HALPERN. Since H.R. 11601, the bill that we are deliberating on now requires expression of both dollar and percentage terms, does this not satisfy all your desires in this regard?

Secretary WIRTZ. Yes.

Mr. HALPERN. Thank you, Madam Chairman.

Mrs. SULLIVAN. Thank you very much, Mr. Secretary. You and Mrs. Peterson have been very helpful and generous with your time.

(See letter from Secretary Wirtz, p. 793.)

Secretary WIRTZ. Thank you very much.

Mrs. SULLIVAN. I now call Mr. I. W. Abel, president of the United Steelworkers of America. Mr. Abel heads one of the largest trade unions in the United States, and one of the best.