

period, if it is in fact a demand deposit, then it is of much less value to the bank because it has, as a matter of fact, not had the use of those funds.

However, many banks would, I believe, figure the interest to the date of withdrawal and many banks would, as a matter of fact, pay interest starting at the first of the month if the deposit is made as late as, say, the 10th of the month.

So, they would be paying a little more than 4 percent, actually, a little riper.

Mrs. SULLIVAN. The only thing that I am trying to get at, Mr. Barber, is that, when you take the money from the depositor, you say you will pay so much interest per year. But that all depends on what the customer does about that money—whether he leaves it in to earn the interest or not.

The same thing is true when we buy on credit. They say they are going to charge us $1\frac{1}{2}$ percent a month. We may not pay our bill each month, as we are supposed to do, and they then charge us at a rate of $1\frac{1}{2}$ percent per month and there are 12 months in a year so it is 18 percent a year that they are charging us. It all depends—the eventual charge depends—upon how we use that credit each month during the year with this firm.

I don't care how long we argue this with the retail people, there is only one answer. If they are going to charge us $1\frac{1}{2}$ percent a month, they are charging us 18 percent a year. It may not figure out to that at the end of a year because it depends on the individual's use of the charge account.

But we have had arguments for 2 solid weeks on that point. They had the same argument for 7 years in the Senate committee. I suppose we are not going to change the minds of the spokesmen for the stores offering revolving credit because they insist upon pointing to the yield from a particular account at the end of a year. But that is not what they are telling the customer in signing her up for a charge account. I don't care what kind of terms they make, or when they start their credit charges, the charges are for a period of 1 month.

I will never pay credit costs if I can pay cash in 90 days. I think it is still the "law of the land" that payment in 90 days is cash.

But I have been told that the department stores just don't tell this to their customers unless they ask—or unless they have a strict policy now that they don't give 90-day credit. But nevertheless, this is the argument that I was trying to use on them.

In depositing money in your bank, we are told we are going to get a certain rate of interest per year and it is up to the depositor to live up to those conditions in order to earn it. It is up to the user of credit in the department store to decide how and when he will pay, so he can arrange to avoid credit charges, but if he doesn't, they still charge so much per annum, which we figure is 18 percent, when they charge $1\frac{1}{2}$ percent a month.

Mr. STEPHENS. I will try to make an analogy. I don't know whether I can or not.

The checking account that a person has in a bank is subject to a service charge comparable, I think, to the revolving fund charges. Now, are we trying to tell the bank that they must put down on the bank monthly statement that the service charge of 5 cents per check, if