Revolving credit is becoming a leading form of consumer credit at retail stores. And within the past year, the commercial banks have been stampeding into this form of credit. A few dozen banks offered revolving credit a year or so ago; now more than one-tenth of the number of banks, and a much higher percentage in terms of bank resources, offer revolving check credit or finance retailers' revolving accounts. If extensions of this kind of credit are not required to indicate the annual rate of charge, and they are not required to state the annual rate under the Senate bill, revolving credit merchants and bankers will gain a competitive advantage, and the consumer will be uninformed about the true price of a growing segment of the credit offered to him.

H.R. 11806 makes no exceptions for small-figure credit charges, because evasion of the purpose of full disclosure can easily be achieved by breaking credits into pieces, each of which costs less than the minimum exempt amount. By not allowing exemptions for small charges, evasion is prevented.

The bill does not permit an exemption for creditors who extend credit against first mortgages—whether the mortgage finances the purchase of a house, or has been rewritten to provide the funds for education, automobile purchase, or any other purpose. The homeowner should know the total cost of his credit, so that he can figure the advantages of paying for his home as quickly as possible, and so that he can compare the cost of financing purchases through adding on to his mortgage as against other methods of finance.

Through disclosures of the facts needed for rational use of the credits available to the consumer, and of the consumer's income, the consumer credit world will begin to change from a maze of incomplete information and misinformation into a system where the efficient and inexpensive source of credit will predominate, and the deceptive and costly will be eliminated.

However, disclosure of information alone is not sufficient to protect consumers. It is not unusual to require that the maximum rate charged on credit shall be limited. Usury statutes have done this for centuries, and special rate limitation statutes of the States have been doing so in every-increasing numbers for the last half century. But the exorbitant rates, often running above 30 or 40 percent, or even higher, which the States have allowed for credit on used automobiles, payday loans, and so forth, are unjustified. A limit on annual rates of charge on consumer credit will protect the neediest debtor and also the young family, new to credit buying and unfamiliar with the range of available rates.

The consumer's income will go further by reducing excessive speculative swings in commodity futures contracts which affect consumer prices. While the speculator in stocks and bonds is required to meet margin requirements of the Federal Reserve Board, the speculator in commodities is under no such restraint. With a few hundred dollars he can buy and sell futures contract for many thousands of dollars worth of commodities. The bill takes a step towards parity of treatment of stock speculators and investors and speculators in commodity futures, by authorizing the Federal Reserve to regulate the use of credit for commodity futures trading.

The proposed legislation should contribute substantially to economic stabilization at all times. But in times of national emergency, it is