charges as well as the amounts and dates of the payments. It is not difficult for customers who enter into arrangements of that kind to figure out the effective annual interest rate. But the Retail Council of Canada informed us that these accounts "probably comprise a very small percentage of the total volume of credit extended by our members." It is the new types of accounts, known as revolving credit or cyclical accounts, budget or "easy payment" plans, that are responsible for much of the growth in credit buying in recent years, particularly in the large department stores. It is these revolving credit accounts which, according to professional social workers who appeared before us, seem to create the greatest difficulty for low-income people.

Revolving credit is a general term applied to a type of accounting mainly used by the large department stores and some retail chains, which permits occasional purchases to be added into the arrangement. It originated south of the border, and appears to be pretty well confined to North America. The system is regulated by law in New York, California, and Massachusetts, but in Canada, where it has become common only in the last decade, it is still unregulated. There is no uniformity in the plans used even by the major retailers, but the method of billing the customer means that he is not informed of the extra charge for the cost of the loan (referred to as the service charge) until some time after he has acquired the goods, when the bill comes from the accounting or credit department. Any particular individual may not receive his bill at the end of the month because the system involves spreading the billing evenly over the whole period. The "service charge" is usually stated in dollars and cents, and not in percentages. Some firms do inform customers of the monthly percentage charged on the outstanding balance, but it is generally agreed that this type of accounting does not lend itself to informing him of the annual rate of interest he is paying.