

treatment, oblivious of injustice, and fatalistic about the way they were treated in the marketplace.

This is no longer true. The bills that are being introduced and the reforms that are being sought are all a testimony to a public that has finally decided to assert—and vocally, I might add—its rights.

We are becoming an affluent society of sophisticated consumers, and we are demanding new standards—standards that will differentiate between the fraudulent and the fair, between the legally permissible and the ethically wrong.

I think the disclosure portions of this bill provide an excellent example of those demands being met. They do not demand the unreasonable, only the fair.

I am happy to give them my support.

Thank you.

Mrs. SULLIVAN. Thank you, Miss Furness. It is an excellent statement, and expresses the need for this kind of bill.

I have a few questions that I would like to put both to Secretary Barr and to Miss Furness. I am going to use my prerogative of chairman to take perhaps a little longer than 5 minutes, and then we will go under the 5-minute rule so that we can all have an opportunity to question, and then come back for a second round if there is time.

Mr. Barr, you made a good case for full disclosure of finance charges in consumer credit. But I would like to take you back to S. 5 as it passed the Senate and see if we understand exactly what the bill would do or would not do.

First, it would leave out first mortgages—the biggest credit transaction most families ever experience, and one which most families now do experience—and would require no disclosure on the percentage rate of finance costs. Right?

Mr. BARR. Correct.

Mrs. SULLIVAN. Next, it would exempt from an annual percentage rate disclosure requirement any purchase or credit transaction on which the credit charge is \$9.99 or less—meaning, usually, items costing up to or around \$100, is that not right?

Mr. BARR. That is correct.

Mrs. SULLIVAN. Third, it would not require an annual percentage rate disclosure on open-end credit plans such as department store revolving charges and gasoline or other credit card plans. Is that not right?

Mr. BARR. That is correct.

Mrs. SULLIVAN. And fourth, it would leave only large ticket items—large ticket item installment transactions such as automobiles, color television, sizable loans, second or third mortgages, and so forth. But none of those would have to give an annual percentage rate until July of 1972, which is 5 years away. So who would be covered and what would be covered that would mean anything to anyone for 5 years?

Mr. BARR. Madam Chairman, if I can take these exemptions and express my opinion on them seriatim.

First of all, the exclusion of first-mortgage credit. As I indicated, it seems to me that this area is rather fully—the disclosure of the annual interest rate charge is rather fully covered at the moment. This is not an area of confusion. The area of confusion, Madam Chairman, is in the variety and diversity of charges that are added on.