

serve to confuse an already unsure consumer. The hope of the disclosure acts is that clear and full disclosure of price and finance and other charges will enable the consumer to buy wisely and not be taken advantage of. Fulfillment of this hope will be difficult enough without the confusion of inconsistency. Similarly I support your decision not to exempt small loans of under \$10 and first mortgages.

I might call to your attention a minor point that should perhaps be clarified. Section 203(d)(3)(B) calls for periodic statements including "a brief identification (unless previously furnished) of the goods or services purchased." For clarification, and in order to insure that this requirement not be interpreted as being satisfied by the giving of a sales slip at the time of purchase, I would suggest that the parenthetical phrase be changed to "unless furnished in a previous statement pursuant to this subparagraph".

We urge you to adopt these much needed disclosure provisions; and we do not believe that subjects not related to disclosure should be allowed to delay enactment of this legislation. On the subject of garnishment, for example, the President has directed the Attorney General, in consultation with the Secretary of Labor and the Director of OEO, to make a comprehensive study of the problems of wage garnishment (President's Message on Urban and Rural Poverty of March 15, 1967). Other controls added by this bill such as those regulating the amount of credit that may be extended or maintained on commodity futures contracts are also under study by the Government agencies directly concerned. We do not believe that legislation dealing with these subjects should be enacted until these studies are completed.

Finally, we question the wisdom at this time of a legislative limitation of the finance rate, as proposed in Section 203(1). Not only would inclusion of such a provision be likely to delay passage of the bill, but if adopted there is a strong possibility that the rate, adopted as a ceiling, would become a floor. Let us first see if effective disclosure will, as hoped, permit the forces of competition to operate in limiting interest rates.

Madam Chairman, I thank you for the opportunity of appearing before you today and of offering my comments on this important bill. You may rest assured that the Office of Economic Opportunity is vitally interested in the whole field of consumer protection legislation, and that if there is any way that I or my staff can be of assistance to you in helping the low-income consumer, we will be more than happy to do so. Adoption of effective disclosure legislation is a vital and urgently needed step. Thank you.

Mrs. SULLIVAN. Thank you, Mr. Shriver. We will defer our questions to Mr. Harding until after Secretary Trowbridge makes his statement.

I would just like to ask you one thing before you leave, Mr. Shriver.

Is it your opinion that while an annual interest rate might mean little to an uneducated person needing credit, yet if everyone had to show him an annual interest rate on anything he went out to buy on credit, wouldn't he know whether or not the credit cost would be greater in one case than another, and certainly, wouldn't he know more than if it was not shown at all? Perhaps many of them would not know what the rate meant or how to figure it. But if they could compare 18 percent with 40 percent or 30 percent, they would know the difference between these figures and this is one of the reasons I am so strong for an annual interest rate to be shown. Have you any opinion on that?

Mr. SHRIVER. We agree with you, that it is desirable, No. 1. No. 2, as we are able to educate the poor more through the kind of educational programs I have referred to just briefly, they, too, will be able to understand what that annual interest rate charge means.

Second, our legal services programs are not restricted to merely handling cases which are about to go into a court. One of the most important parts of the legal services program is education of people