with which most of the regulatory agencies are vested, only that power toward cease and desist, leave it here, then all complaints would come to the agency and then the agency would have to investigate and carry the burden of proof. Under our basic law if we say it is deceptive we must prove deception. You draw this statute and you say it shall be. You see, if it does do that, that is deception under this bill. So if you were to assign us the responsibility you could be sure we will say anything that doesn't fulfill what is required in sections (j) and (k) shall constitute a violation of the Federal Trade Commission Act and the Federal Trade Commission should proceed under our basic authority which, in your bill you have pretty well armed the Federal Reserve Board with.

Mrs. SULLIVAN. I am sorry that I interrupted your statement before you finished. When you both get through with your statements, I am going to turn over the legal aspects to some of the lawyers on the committee. They know more about it than I. Please continue with your statement.

Mr. DIXON. I was at the point of talking about this matter.

Further, should Congress see fit to enact legislation requiring such advertising disclosures, it may be that jurisdiction to enforce such a law should be conferred upon the Federal Trade Commission. Our agency has accumulated much expertise in the prevention of false and deceptive advertising under section 5 of the Federal Trade Commission Act. The authority of the Commission over practices in interstate commerce involving financial transactions was sustained in *General Motors Corp.* v. *Federal Trade Commission*, 114 F. 2d 33 (2d Cir. 1940), and *Ford Motor Co.* v. *Federal Trade Commission*, 120 F. 2d 175 (6th Cir. 1941).

Other changes which the subject bill would make in S. 5, as passed by the Senate, are: (a) it would eliminate the exemptions, provided in S. 5, for transactions involving less than $10 credit charges and for first mortgages on real estate; (b) it would prohibit the demand or acceptance of any note authorizing confession of judgment—cognovit notes; and (c) it would make the effective date July 1, 1968, rather than July 1, 1969. The Senate version of truth-in-lending legislation would defer until January 1, 1972, the requirement of disclosure of rates expressed as percentage rates. Until that time such rate may be expressed either as a percentage rate per year or as a dollars per hundred per year rate. I support the provisions of H.R. 11601, which would require disclosure of finance charges expressed as an annual percentage rate almost immediately upon passage of this legislation as opposed to deferring this significant requirement for several years.

In my opinion the parts of this proposed legislation which deal with setting a maximum rate of interest, the regulation of commodity futures trading and the prohibition of the garnishment of wages, should be the subject of separate legislation since they are not directly related to the problem of disclosure of the cost of credit. I agree that these matters should receive extensive study, but, in my view their consideration by your committee at the present time, could serve to delay action on this needed truth-in-lending legislation if passed.

Mrs. SULLIVAN. Thank you.

Now, we will hear Mr. Greenberg and then we will have the questioning.