

to double the price. The sugar market went completely out of bounds and the world sugar price later collapsed and never got back since to what it should be. We found out in our investigation that people who had never before speculated in sugar futures were in it in a big way, some making a very good profit and others taking a loss which in some cases they could not afford. They didn't realize the price could fall so far so fast, just as it had previously soared.

Only because of the way this affects the consumer do we feel that this needs some disaussion out loud. It was not being discussed anywhere else; therefore we put it in this bill.

Mr. Halpern?

Mr. HALPERN. Thank you, Madam Chairman.

Mr. Dixon, you mentioned that certain of the advertising provisions in H.R. 11601 might duplicate regulations already in existence under the Federal Trade Commission statute.

I wonder what the nature of the protection is that consumers currently received in view of the many advertisements of credit arrangements that have been cited which may not be false but which, in their choice of items disclosed, are certainly highly misleading?

Mr. DIXON. I wouldn't want to try to make out a case that we have done any great job in this field. I cited two types of cases that we proceeded against—General Motors and Ford Motor Co. Certainly where we found such transactions taking place in commerce, and we had reason to believe there was deception or something unfair with it, we have a statute that is broad enough to enable us to proceed against such practices. But the problem that this bill is addressed to is far greater than this—it is failure to do certain things.

It is failure to make clear for one reason or another what this bill is addressed to. We had in the *General Motors* case, for instance, what we considered an affirmative misrepresentation, that is, citing 6 percent when it was more than that. If someone just failed to disclose what credit terms were, just didn't recite anything, just said the total price for instance was \$400, then you get into the fringe area of our society where people don't have good credit rating and cannot get credit ratings, maybe for good reasons or bad reasons—sometimes we found that there is no credit terms mentioned, just said you want this television or this radio, it will be \$400 to you.

Now, that is the total cost. What is the price? It might be advertised for, say \$2.50 per week. They do not tell you what the price is or how many weeks or anything.

Now, should they be told?

Certainly, \$2.25 a week is truthful. It is not misrepresenting. The failure there, if there is any deception, is the failure to give enough information.

Now, here in the District of Columbia we have enough jurisdiction I think to do something about some of these types of problems. But when you get across the broad scope of America I think that our problems are a little more difficult.

Mr. HALPERN. What is your opinion of the provisions in H.R. 11601 which prohibit statement of credit terms, unless such terms are "usually and customarily" arranged?

Mr. DIXON. Specific downpayment is required unless the creditor usually and customarily arranges downpayments in that amount?