

whether to buy six 5½-ounce cans at 98 cents or five 6½-ounce cans at 89 cents.

Yet it is much easier to make a decision like that than it is to go and try to buy credit where you have not the similarity of information most of the time.

I read through the hearing records for the past several years on Senator Douglas' bill and find even bank presidents and government officials have admitted publicly in the hearings that they cannot understand what the lenders and vendors are saying in their credit contracts. If they are confused by add-ons and discounts and percent of original balance and so forth, you can imagine how confused an average consumer on a rural electric line is.

According to a study that is called, "Consumer Sensitivity to Finance Rates," 800 families in the study were asked to list how much interest they thought they paid. Then they averaged these interest rates out and discovered that the families thought they paid 8.3 percent interest. In reality these families were paying 23.2 percent interest.

It seems to us that all consumers are entitled to know before they buy anything the price they are going to have to pay. This applies to credit as well as to anything else. We feel therefore that the disclosure provisions in title I of H.R. 11601 will provide them the kind of information they need to make informed decisions.

We also support the provisions that would make this go into effect on July 1, 1968. We believe that any lender would have ample time to change his operations to take care of this deadline.

The rural electrics heartily applaud the truth-in-advertising provisions in H.R. 11601 which extend the disclosure requirements to advertisement of credit as well as the conduct of an actual credit transaction.

NRECA has long been in battles about truth in advertising. Our rural electric systems have been the victims now and then of some vicious propagandizing, propaganda advertising campaigns. We therefore endorse any attempt to bring truth into the advertising field and believe that this is an area where reform has long been needed. Though we realize this is just one step, getting disclosure for credit advertising—it is that first step for truth in advertising.

We cannot either oppose or support title II of the bill, which would prohibit the garnishment of wages. We say this because our membership has never had any reason to consider garnishment of wages and we therefore cannot go on record representing these members without having some information from them.

I must make the same statement in relation to the part of title I that deals with the regulation in credit for commodity futures trading. We have no position, have never made any study nor have any information from our members. We do understand, however, that the Department of Agriculture is now reviewing an outside study which they have made on the extent speculating trading affects the futures market and the value margins would have in controlling speculation. We defer to those who are more familiar with such operations.

In regard to title III of H.R. 11601, we support the establishment of the proposed bipartisan National Commission on Consumer Finance. NRECA believes that the studies and recommendations of such a