

prices. I have had bills before the Agriculture Committee since 1954 to bring coffee futures trading under regulation, and since 1963 to bring sugar futures trading under regulation, and this year I added livestock and livestock products, based on the work we did in the National Commission on Food Marketing. I understand from what I heard yesterday that the Committee on Agriculture is about to consider legislation that will include coffee, sugar, and livestock, so we are finally making some progress there. I do not know what is going to come out of it, but in the meantime, in these hearings on H.R. 11601, we are going to hear from some experts on margins on commodity futures trading and get some facts in our record.

(The complete statement of Mrs. Erma Angevine follows:)

STATEMENT OF MRS. ERMA ANGEVINE, WOMEN'S ACTIVITIES COORDINATOR FOR NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION, INC.

Madam Chairman and Members of the Subcommittee, my name is Erma Angevine, and I am Women's Activities Coordinator for the National Rural Electric Cooperative Association.

I am very pleased to have this opportunity to register NRECA's strong support of H.R. 11601, the Consumer Protection Act of 1967, which has been introduced by your distinguished Chairman, Representative Sullivan, and five other members of this Subcommittee, and an identical bill, H.R. 11806, which has 17 House sponsors. As Mr. Ellis mentioned, the rural electric systems have endorsed the enactment of effective "truth-in-lending" legislation by resolutions adopted unanimously at NRECA's 1966 and 1967 annual meetings.

However, we are disappointed in the provisions of S. 5 as passed by the Senate, for our support was geared to the more inclusive and thereby more effective "truth-in-lending" bill sponsored in previous years by former Senator Paul Douglas. We believe that the Senate bill, by exempting first mortgages, revolving credit, some installment loans and by setting, for all practical purposes, an effective date of July 1, 1972, will by that time only be protecting about one-fifth of all consumer credit transactions.

Currently, Americans pay around \$22 billion a year in interest and finance charges. That's almost as much as they pay for groceries. And hard as it may be to determine whether six 5½ ounce cans at 98 cents are a better buy than five 6½ ounce cans at 89 cents, it's practically child's play compared to determining credit charges.

Even bank presidents and government officials have admitted publicly to being confused by the practices now used by lenders and vendors in stating their finance charges on consumer credit. If they are confused by the array of add-ons, discounts, percent of original balance, monthly payment amount, term price differential, sales price versus cash price, and so on, what chance does the average consumer have?

According to a study called "Consumer Sensitivity to Finance Rates," we do not have as much of a chance as we think we have. In the course of this study, 800 families were asked to estimate how much interest they were paying. All of their estimates were put together and averaged. The average estimate was 8.3 percent. How much were they really paying? On the average, they were paying 23.2 percent.

All consumers are entitled to know in advance of a credit purchase the price they are going to have to pay for the extension of credit. We feel that the disclosure provisions contained in Title I of H.R. 11601 will provide them with the kind of information they need to make an informed decision on a proposed credit purchase. We also support the provision that these requirements go into effect on July 1, 1968, as we believe this allows ample time for lenders to make the necessary changes in their present mode of operation in order to comply with the law.

The rural electrics heartily applaud the "truth-in-advertising" provisions of 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 fought for "truth-in-advertising," for the rural electric cooperatives have been the victims of vicious propaganda advertising campaigns. We endorse completely