be vested in the Federal Trade Commission which currently has the responsibility for policing false and misleading advertising. This would appear to me to be a more practicable solution than to provide for enforcement by private persons or by the Federal Reserve Board which currently has no machinery set up to undertake such activites.

We shall follow the progress of the truth-in-lending hearings in the House with great interest. I hope that the House will adopt the credit advertising provisions and that the Senate conferees can accept such provisions in conference. Should this effort fail, however, we shall certainly schedule hearings in the Commerce Committee and press for enactment.

Mrs. SULLIVAN. Next, we will have the statement of Congressman Matsunaga, of Hawaii, a member of the Committee on Rules and an outstanding Representative. Congressman Matsunaga is secretary of the House Democratic Steering Committee. He is one of our leaders in the House of Representatives, and a cosponsor of the Consumer Credit Protection Act.

STATEMENT OF HON. SPARK MATSUNAGA, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF HAWAII

Mr. MATSUNAGA. Madam Chairman and members of the subcommittee, I thank you for this opportunity to testify in support of H.R. 11806, a bill which would provide comprehensive consumer credit protection, of which I am a cosponsor.

H.R. 11806 is identical with H.R. 11601, which was introduced by the distinguished chairman and several members of this subcommittee.

It is a matter of common knowledge that billions of dollars of credit are extended to consumers every year. Some of this credit takes the form of contracts which run from payday to payday, and some of it extends over several decades of repayment with interest. Credit, however, has come to mean something more than a means for retailers to sell their merchandise. For thousands of financial institutions as well as retailers, credit itself is something to be sold at a profit which sometimes exceeds that realized from the sale of the merchandise involved.

The practices which are followed in the extension of consumer credit are designed to emphasize any features of the credit contract which will make the contract appear inexpensive and easy to pay off. Some States by statute regulate credit contracts with respect to the information which must be disclosed, and with respect to the maximum rates which may be charged. But, shocking as it may seem, many States at present do not require the creditor to tell the debtor what the total amount of his debt is, nor the number of payments he must make, nor the rate of interest he is being charged. And only in exceptional instances do the States which have disclosure statutes require disclosure of all the information which is necessary to a rational use of credit by the customer. Moreover, many States permit rates of charge for consumer credit which are unconscionable. The truly exorbitant rates which may be charged are at the very foundation of opposition to truth in lending—no questionable retailer and no questionable lending institution would want to tell a customer that it is charging him 18