

Our programs, aims and objectives have been made known to the Federal Trade Commission, and other government agencies, from time to time. We have had discussions with FTC officials seeking their advice and cooperation.

Our most successful operations have been conducted with the cooperation and assistance of the Better Business Bureaus in some metropolitan areas and substantial amounts of dealers' money. Probably the most successful program has been sponsored in Chicago by the Better Business Bureau of Metropolitan Chicago and the Chicago Automobile Trade Association with the full support of the local media.

Chicago dealers contribute \$35,000 annually to the Bureau to underwrite the cost of "refereeing" automobile advertising in that market, using the NADA Standards as the guide for judging. A constant and keen eye is maintained by the Bureau in the Chicago market and when, in its opinion, a dealer's advertising is false, misleading or deceptive, it issues a "not-in-the-public-interest" (NIPI) objection and the media immediately withdraws the advertising deemed unsatisfactory and refuses to accept additional advertising from the offender until a corrected ad and apology is published and the Bureau lifts its "indictment."

Similar arrangements exist in several other cities, Boston probably being the next most successful example.

In all its advertising and public relations support of this program, NADA has stressed that its efforts are in the public interest, and that it is reasonable to expect similar interest on the part of the media for their readers, listeners and viewers.

Some members of the media have adopted or adapted our standards and have reported their action to us. Others have indicated very frankly that they are interested in advertising solely as a source of revenue and have no intention of judging the content unless it be so obviously false, misleading and deceptive, or otherwise objectionable, that it would be certain to cause embarrassment or legal complications to them.

The media can, and on occasion does, contribute to the deception with full knowledge. Therefore, granting the media exemption from any responsibility for the acceptance and publication of false, misleading and deceptive advertising would substantially curtail the intended objectives of the advertising provisions of this bill.

We would urge this Committee to give serious consideration to limiting the exemption granted the media by imposing a responsibility to all in the public interest in rejecting for publication false, misleading and deceptive credit advertising.

Having indicated our long-term efforts and progress in the field of automobile advertising, generally, we now come to the specific provisions of H.R. 11601 as they affect the advertisement of credit and we recommend the following constructive and clarifying amendments.

Sections 203 (j) and 203 (k) of H.R. 11601 require all consumer credit advertising containing "specific terms" to set forth clearly and conspicuously virtually the same information required to be disclosed to consumers before any credit is extended.

S. 5 now protects a consumer after he has decided to seek credit. Regulation of advertising will supplement this basic protection by insuring that consumers have accurate information before deciding to seek credit.

All reputable creditors should support extension of the full disclosure principle to advertising. However, the advertising provisions of H.R. 11601 raise a number of technical and practical problems, including (1) improper definitions, (2) the amount of information required to be disclosed, and (3) the severity of penalties.

H.R. 11601 defines an "advertisement in interstate commerce or affecting interstate commerce . . ." (Section 202 (i)). However, the definition is merely jurisdictional; it neither defines an advertisement nor specific credit terms.

In the interest of clarity, the term advertisement should be amended to read: " 'Advertisement' means any publication, display, broadcast, solicitation or representation in connection with any credit or consumer credit sale."

The suggested definition omits any reference to interstate commerce because the declaration of purpose in Section 201 (a) (page 3, lines 4 through 8) expressly invokes the powers of Congress to establish a currency and regulate its value, thus making it unnecessary to limit the scope of the act to advertisements