

Mr. ANNUNZIO. I would also like to read a few paragraphs from the letter to indicate how one of the Nation's largest steel companies feels about H.R. 11601. The letter, in part, reads:

The provisions of the proposed bill which have a direct relationship to our operation are those requiring full disclosure of credit terms and prohibiting the garnishment of wages. We are in favor of both of these provisions in the bill.

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Wage garnishments constitute a heavy and costly administrative burden for this Company. In fact in your above-mentioned letter you referred to certain statistics about Inland that appeared in a Wall Street Journal article of last year. For your information we do not pursue a policy of discharging employees on account of garnishment actions or even in the case of repeated or excessive garnishments. Quite apart from the administrative burden that garnishments impose on any large-size company, we believe that this repayment device may well lead to the extension of credit to wage earners in situations where credit more reasonably might be withheld and in fact serves to enhance the credit problems to which many employees find themselves subject.

Perhaps also should be added the observation that garnishment actions constitute an undue burden for our courts which are already severely taxed by other kinds of litigation.

Madam Chairman, I believe that this letter is an endorsement for a strong truth-in-lending bill. Legislation that will merely inform the consumer that he is being overcharged for credit is not enough. We must make certain that the legislation reported by this committee prevents the consumer from being overcharged for credit.

Mrs. SULLIVAN. Thank you, Mr. Annunzio.

Mr. Bingham, do you wish to make an opening statement?

Mr. BINGHAM. Thank you, no, other than to say that I am most interested in these hearings.

Mrs. SULLIVAN. I just want to say again that all of the members—all 12 members—of the subcommittee have introduced bills on consumer credit. Six of us are joined in my bill, H.R. 11601, five have introduced a bill identical to S. 5 as it passed the Senate, and one has introduced a modified form of S. 5 to try to deal with the \$10 exemption in the Senate bill but which also includes the idea in H.R. 11601 for regulation of credit advertising. So with that, we will turn this over to Under Secretary Barr and Miss Furness.

Do you want to read your statement, Mr. Secretary?

Mr. BARR. I will probably skip a few portions of it, Madam Chairman, but in essence I will track through most of it just in an attempt to get the committee started on what we are dealing with.

STATEMENT OF HON. JOSEPH W. BARR, UNDER SECRETARY OF THE TREASURY

Mr. BARR. Madam Chairman and members of the committee, I am very pleased to have this opportunity to appear before you to testify on H.R. 11601, the "Consumer Credit Protection Act."

Madam Chairman, I would like to say at the outset that I think it is particularly fortunate for the United States, as we approach these hearings, that the people who are most concerned are addressing themselves to this problem. By that I mean it is particularly fortunate that we have the chairman of the subcommittee, Mrs. Sullivan, the senior minority member, Mrs. Dwyer, and the President's adviser on consumer affairs, Miss Furness. In our society, as I am sure you are all