

Former Senator Paul H. Douglas is a patient teacher as well as a brilliant economist, and we are about to enjoy a master class in a subject which can often be made to sound incomprehensible when the purpose is to convince us that the problem is too complex to solve through legislation. We are counting on you, Senator, to pierce the fog for us and advise us, out of your great wisdom in this field, how we can truly protect the American consumer in his use of credit. We welcome you to the House Committee on Banking and Currency and are grateful to you for agreeing to come here this morning, for we are carrying on a work you started and we want your guidance.

Senator Douglas is still serving the people of the United States through official office as Chairman of the Commission on Urban Problems created by the Banking and Currency Committee of the House, I might add, in the Housing Act of 1965. I am sure, Senator, that you see a very close connection between the problems of our cities and the problems which this legislation is intended to solve.

STATEMENT OF HON. PAUL H. DOUGLAS, CHAIRMAN, NATIONAL COMMISSION ON URBAN PROBLEMS; ACCOMPANIED BY STANLEY D. HECKMAN

Mr. DOUGLAS. Thank you very much, Madam Chairman.

I will read part of my statement and try to summarize another portion of it.

Madam Chairman and members of the committee, I appreciate your inviting me to testify before your committee. I had some hesitancy about accepting. I have always believed that ex-Senators should fade away from Capitol Hill and not linger on as empty political ghosts. And, there is an added reason why a former denizen of the north side of the Capitol should not come over to the south side.

But Congresswoman Sullivan was so generous and so hearty in her invitation that I swallowed my scruples and agreed to come. And, I hope you will not hold it against me because I am here.

I am, of course, tremendously pleased that the Senate passed a relatively good truth-in-lending bill on July 11, 1967, by the surprising vote of 92 to 0. It may have marked the beginning of the end of a long, long struggle and it was a great victory for Senator Proxmire and its supporters. As you stated, Madam Chairman, I introduced the first truth-in-lending bill as long ago as the spring of 1960. But, despite 6 years of hearings and study, we were never able to get it out of the basement of the subcommittee except for 1 brief day when the full committee under the able generalship of its then chairman proceeded to knock it on the head and send it back to the dark cellar. So this year is the only year that it has really seen the light of day.

But times have changed. Public opinion has become informed. People are more and more coming to the conclusion that consumers should not be gulled by trickery but are entitled to the truth, and that this applies to borrowers as well as buyers. Caveat emptor has gone out of vogue. Perhaps also the realization that the people could be helped in this way without cost to the Treasury was especially appealing when the need for improving American life was coming up against the budget restraints created by the war in Vietnam. It is pleasant to do things for people if it does not cost you any money.