

Mr. Secretary, is your Department involved in any way in helping the credit industry to organize better channels of information about individual applicants for credit? I have been amazed by some of the cases I have heard about, where a career deadbeat will go from store to store, from city to city, and never seem to have any difficulty buying on credit. And then, on the other hand, you have cases of decent people being hounded by a false or inaccurate credit rating which never seems to get corrected.

Does your Department work with business on any of these problems?

Secretary TROWBRIDGE. Madam Chairman, we do work with business closely on this type of problem and we are trying to expand our services to business in the whole marketing-services field in the Department of Commerce. We frankly have been very much oriented I think toward the manufacturing side of business and within the limits of our resources we are trying to expand our marketing services to distribution services and to get a better fix on the cost of marketing distribution, so that we can give some benchmarks to that part of the business just as productivity in the manufacturing phase gives some indicators as to how your cost picture is.

In my personal view, the American economy, with its 200 million people and its tremendous amount of consumer credit, is really quite an amazing bit of economic organization, considering it has grown from within. We are surely going to have some instances I know, as you suggested, of the deadbeat who can go from town to town. It seems to me that pretty soon he gets caught on some of the credit-rating lists that people do have in the credit field. To the extent that such persons are discovered in such schemes, I would imagine that prosecutions are fairly extensive, although I don't know what the number of prosecutions are.

In brief, our Department is working with businessmen on this problem. We are trying to find ways in which we can be of better service to the business community. There is a great deal of self-generated effort by the businessmen in this so that they don't have to rely on the Federal Government itself, and I hope it continues that way.

Mrs. SULLIVAN. We ran across some interesting situations when we were making searches through the bankruptcy cases. One young man came from the State of New York with some thousands of dollars being owed, came to Washington and the first thing he bought was a Cadillac on credit—a Cadillac convertible, 2 years old.

The second thing he bought was a rifle—he did not pay for it, but he got it on credit. Then he went into one of the well-known stores and bought a hi-fi. After he bought the hi-fi on credit he started buying other things in that same store. When we caught up with his cases he was over \$3,000 to \$5,000 in debt—all on credit purchases—not having paid 5 cents on any of the accounts.

We took this up with a representative of one of the stores—in fact, he had just come in to see me because I had introduced one of the Douglas bills, back in the early 1960's, and I said:

You are just the man I want to see because I wonder if you will tell me how much you look up a person's credit when he applies to you for credit on some piece of merchandise that he wants to buy.

He said:

Oh, we go into very detailed background search before we open up new credit.