

had a riot in my district last year, are caused because, as all of us know, the poor pay first-grade prices for fifth-grade merchandise. And it is the history of man that the poorer you are the more you are exploited; consequently we are under pressure here in Congress, and we must do something about it. In fact, Father, I feel that if the rat bill came up we would pass that, too, now.

Father McEWEN. Mr. Annunzio, may I take this opportunity to say that I have been tremendously impressed by the effort of the subcommittee in this matter. And I have been tremendously impressed by the attention and the devotion that the members have displayed.

In that connection I want to emphasize something to you ladies, and gentlemen. There is an education function in these hearings that have gone on in the Senate and the House that you should not underestimate—I think you are doing a tremendous educational service to the country by the hearings and the coverage and the debate.

And I can give you an example of the opposite of that. A few years ago in Massachusetts we passed an abridgement of the holder-in-due-course privilege pertaining to consumer notes. It was passed almost without debate, and almost without even knowing that it was passed. The effect of that for several years was practically zero because of the lack of education about it. Even the lawyers didn't know that this was on the books, and they couldn't invoke it. I would urge—I agree with the provisions of the American Bankers' statement about insurance, but I disagree on the National Commission. I think there are so many facets of this whole area of credit that you haven't mentioned, such as the practices of collection agencies, the practices of credit bureaus, that I think the Commission could spend a lot of time going into. So I encourage the committee to push the commission idea.

On the insurance, I think logic is with Dr. Walker on this one. If we are logical and consistent, the items in the finance charge for all lenders, and for all types of borrowing and lending, should be as similar as possible.

I would recommend that you take charges like credit life and accident and health insurance pull them out of the finance charge, and impose specific ceilings on their rates. And I would suggest the Massachusetts rate of 50 cents a hundred on credit life.

Mrs. SULLIVAN. We will certainly go into that, Father.

The bells have rung for a vote.

And again Mr. Bingham is last.

But I think that we will have time to get your questions in, Mr. Bingham, before we have to leave.

Mr. ANNUNZIO. Thank you, Father. I am sure that the others on the committee and myself appreciate your observations.

One thing that we have done is that we have been able to bring this problem to the attention of many, many people. And I appreciate your contribution.

And I appreciate the contribution of Mr. Walker of the American Bankers Association.

Mr. WALKER. Thank you.

Mr. BINGHAM. Thank you, Madam Chairman.

I would certainly like to agree that these have been wonderful witnesses and very helpful, even though they don't agree on everything.