

We would like to point out in our convention that truth in lending is a top national program for the union, and we have spent quite a bit of time in coming in on this, and we have talked with our Congressmen and Senators concerning this legislation.

Interest rates and credit practices are most crucial to farmers and we are very pleased in the Senate version that the agricultural implements and agricultural products are an important part of the bill.

I have many examples here in terms of the other parts of the truth-in-lending bill because we are affected as farm families. We are receiving some of the same problems as urban areas and we have some very special problems.

On page 2, we talk about the various consumer problems as we see them. The thing that is most striking to us, at the bottom of page 2, is that there hasn't been any tight money prices in consumer areas. We have never found a department store who had a tight money situation. What we have seen, because of the high interest rates charged through deception, that it has pulled credit from housing, from farm loans, and from other essential parts of our economy, and there is no reason why a lender or money source should lend money to a farmer for 7 or 8 or 9 percent or 11 percent, when it can turn around and lend it to the same farmer on his car through an indirect finance company or through a power dealer or some other source for 18 or 24 percent. It just doesn't make sense. It becomes exceedingly difficult for farmers to get loans, and when the interest rates go so high it no longer becomes profitable to the farm, and this is what is happening to so many of our farms.

On the back I have a sheet which I think is important to get a perspective on the amount of interest the farmers are paying. It is a staggering amount. This is a survey that was made of our farmers, union members in Minnesota, and this was before the tight money, high interest rate period. It is a very staggering amount. They are paying more for interest than they are for many of the other essential ingredients of farming such as gasoline, fuel, feed and chemical fertilizers, and so forth.

This outflow, coming back to the main testimony, the outflow of money from the usual channels for home loans and for farm loans and in bonds and mortgages—Government bonds—has been very great. It is increasing and it will continue to increase unless something is done to open it up for the average consumer to see what has actually happened.

The next page talks about the increase. I would like to relate one personal example, if I might, about a situation that has happened just recently. Our refrigerator broke down and we went into a plant store here in Washington and asked to get a new refrigerator. We got a good buy and asked about credit, and to try to determine whether or not we should go to the bank and spend the extra time to arrange for credit at the bank or whether we should go through the company's credit program—resources. I spent almost a half hour because of my interest in the subject, trying to discover, along with the chief salesman, exactly what interest rate was being charged, and both of us are, I would say, a little bit more than usually acquainted with the interest rates, and neither of us, after a half hour of trying and all sorts of