

CONSUMER CREDIT PROTECTION ACT

MONDAY, AUGUST 14, 1967

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON CONSUMER AFFAIRS OF THE
COMMITTEE ON BANKING AND CURRENCY,
Washington, D.C.

The subcommittee met, pursuant to recess, at 10 a.m., in room 2128, Rayburn House Office Building, Hon. Leonor K. Sullivan (chairman of the subcommittee) presiding.

Present: Representatives Sullivan, Gonzalez, Hanna, Annunzio, Bingham, Dwyer, Wylie, and Williams.

Mrs. SULLIVAN: The subcommittee will come to order.

Today, we begin our second full week of hearings into legislation dealing with the use and abuse of consumer credit and the problems they present for our economy and our people. I think the hearings so far have been informative, provocative, and nonrepetitious. I am sure they will continue equally interesting this week.

Most of our testimony up to now has been directed primarily to the credit-term disclosure provisions of H.R. 11601, the Consumer Credit Protection Act, although there have been numerous references to other sections of the bill dealing with garnishments, an 18-percent Federal ceiling on finance charges, standby credit controls in times of national emergency, confession of judgment notes, and other provisions not related directly to the truth-in-lending theme.

Tomorrow, we are going to devote our hearing entirely to section 207, which relates to the setting of margins for trading in commodity futures. We will have representatives here from most of the major exchanges on which commodity futures are traded, and I think all of them are prepared to tell us section 207 is not a good idea. I am sure we will receive an education in the manner in which all manner of metals, minerals, agricultural commodities, and—beginning next week, I believe—even bags of 1,000 silver dollars are traded on paper.

This morning, we are fortunate in having two outstanding and articulate spokesmen for consumer interests in this country appearing before us. Mr. Sidney Margolius is best known to Members of Congress through his columns in the prize-winning newspaper published by the Machinists Union, where I first saw it, but I have seen it also in many other periodicals which come across my desk. I believe you were also a member of the President's Consumer Advisory Council, Mr. Margolius, as was Prof. Richard L. D. Morse of Kansas State University, who is also here this morning. I am going to call you both to come to the witness table together—as the best way to develop the most information in the period we have this morning.