

Later in the morning we will hear from Mr. Louis Rothschild on behalf of the Menswear Retailers of America, and then, this afternoon, we will have three witnesses who will discuss the truth-in-lending law enacted last year in Massachusetts and which has been in effect there since November.

Also, this afternoon we will have Mr. Robert J. Klein, economics editor of Consumers Union of the United States, who was to have been one of our witnesses last Tuesday when we could not hold an afternoon session. With the exception of Mr. Rothschild, all of our witnesses today have come some distance and at some sacrifice to help us in our deliberations, so I have my fingers crossed that we will run into no complications in the House in sitting this afternoon.

I think every member of the subcommittee will agree with me that in the past week we have received a liberal education in the field of consumer credit and its place in our economy—as well, I am afraid, as in the bankruptcy courts and the riots which erupted in some of our cities. Truly, we are dealing with an explosive subject, which is also one which holds a very necessary place in our expanding economy.

Mr. Margolius, may I suggest that you summarize in perhaps 10 or 15 minutes the excellent statement that you have filed with us, and I will ask Professor Morse to do the same, and then we will spend the rest of the time in development of the many ideas and areas of information you have covered in your presentations.

STATEMENT OF SIDNEY MARGOLIUS, PORT WASHINGTON, N.Y.

MR. MARGOLIUS. Thank you, Madam Chairman.

First, I would like to say to this committee that family money losses arising from high-pressure credit selling today have become a serious national problem affecting the Nation's economy even beyond the problems that it has caused for the families themselves. Losses due to high credit fees and deceptions damage not only the families but causes a diversion of resources that is helping to frustrate vital family and national goals such as advanced education, better housing, and the antipoverty program.

I consider this bill, H.R. 11601 has significance beyond even the urgent need to give consumers honest and reasonably accurate information. This is a perceptive, intelligent, public spirited bill in the best national interest.

You and your cosponsors are to be congratulated for drafting and offering this bill which is as patriotic and practical as it is humane. This bill as it now stands would benefit America's families, help our national and local economies in a number of ways, and aid reputable businessmen.

The \$13 billion a year that consumers spend for credit fees is just the beginning of the actual cost to consumers and the public of the present credit situation.

We also have a serious problem of overpricing made possible by the use of deceptive credit plans plus many families' losses due to repossessions, payments for legal costs, and so on.

Also, this bill especially benefits small businessmen who now must cope with hard-driving chainstore competition on the one hand