

which inexorably is pushing extensive credit plans, and on the other hand, competition from fringe sellers who divert a surprising volume of sales from scrupulous business through deceptive credit-selling methods. Scrupulous businessmen should welcome this bill. Some leading businessmen themselves have said credit reforms are needed. Any scrupulous business spokesman who fights this bill is fronting—either unwittingly or short-sightedly—for the disreputable fringe sellers.

I would like to mention a story in *Home Furnishings Daily* which reports that small businessmen are up in arms because the bill as written by the Senate would give department stores a competitive advantage over furniture and speciality shops and I do want to make that point especially, that including revolving credit in this bill would benefit not only the general public but small businessmen.

It has become increasingly difficult for small businessmen to compete with the chains and mail-order sellers who peg their cash prices low, but then drive to get buyers to use their credit plans on which they make an additional profit.

The damage to consumers themselves is greater than many of us may realize. To a large extent—and this may seem a little strong to swallow at first—consumer exploitation has replaced labor exploitation as the real problem of our times. We would not permit the things to be done to people as workers that we allow to be done to them as consumers.

Consider this incident that happened to one working woman. A salesman knocked on her door and showed her a set of stainless steel tableware at a price of \$65. He said she didn't have to decide immediately, but after delivery could take a few days to decide whether to keep it. When the tableware arrived, the women signed what was described as a "receipt." But on closer inspection the set did not appear to be the same quality she had been shown. She wrote the seller to take it back. The only answer was a demand for payment.

The "receipt" turned out to be an installment contract. The woman went to the Legal Aid Society, which was willing to intercede. But her employer's personnel office called her in and told her that a garnishee had been filed for \$120, including finance charge and legal costs, and that the employer would not tolerate garnishees. To keep her job she had to settle with the seller. She settled for \$75 for a set of tableware which another retailer subsequently estimated was worth \$15. This woman earns just \$60 a week. So she really had worked one week without pay because of the \$60 she had overpaid for the tableware.

If an employer had forced her to work a week without pay, we would all cry: "This is peonage." Congress would not tolerate labor peonage. But in many cases today we have substituted consumer peonage for labor peonage.

This is not an isolated example. Thousands of such incidents occur each week across the country, often involving much larger amounts. Some families even are then forced into bankruptcy or on welfare because they are snared by deceptive sellers who use the coercive levers provided by most State credit laws to set their traps.

As is well known, there are more consumer bankruptcies today, than in the big depression of the 1930's. Such personal bankruptcies have increased every year for the past 14 years; in fact have jumped 240 percent in the past 10 years.