

Mr. ROTHSCHILD. That's correct.

Mr. GONZALEZ. Even if this proposed act would have to come under that general definition.

Mr. ROTHSCHILD. We have all forgotten about the old *Schechter* decision, NRA, but I am not sufficiently acquainted with the technicality of the language, but if the language in this bill is such that it construes a credit contract as affecting interstate commerce, I think it opens the door for litigation in the future. But it does provide an excuse for constitutionality of the bill. However, the fact remains that you are interfering in the rights of local people.

(Mr. Rothschild subsequently submitted the following letter pertaining to Mr. Gonzalez line of questioning:)

MENSWEAR RETAILERS OF AMERICA,
Washington, D.C., August 17, 1967.

HON. HENRY B. GONZALEZ,
House of Representatives,
Washington, D.C.

MY DEAR MR. GONZALEZ: We deeply appreciate the interest you have demonstrated in the hearings on the Truth and Lending legislation and, particularly, concerning the problems of the small independent merchants who comprise a large portion of this Association.

During the course of my testimony on Tuesday morning, August 15th, you directed a very intelligent question to me concerning the point we have raised over Federal controls on purely intrastate businesses.

In this question, you cited as an example the regulations contained in the Wool Products Labeling Act, the Flammable Products Act, the Fur Products Labeling Act and the Textile Fiber Identification Act as being an existing example of Federal regulation of our constituents.

While I attempted to answer your question for the hearing record during my appearance and referred to the distinguishing features of the Federal Trade Commission Act, it seems to me, on further reflection, a more important difference should have been cited by me in response to your question.

The various forms of regulations noted in your question place the primary compliance responsibility with the manufacturer of the product who, in most cases, is engaged in interstate commerce. There is not a practical day to day compliance problem on the part of small merchants.

We would be delighted if you would care to insert this letter as an appendix to our statement as it appears in the printed hearings.

Respectfully,

LOUIS ROTHSCHILD,
Executive Director.

Mr. WILLIAMS. Mr. Rothschild, I want to compliment you on an excellent presentation, and you have been asked the question, if garnishments were removed, would that not take something away from the small unscrupulous businessman? My question is, if you remove garnishments as a tool of collection, what protection is the small businessman going to have against the person who is over-extending their credit using perhaps the excuse that they are poor to buy more than they really should be buying?

Mr. ROTHSCHILD. The creditor, in his legal efforts for collection today is handicapped. The small claims courts of this country are consumer-oriented today. I have had considerable experience in the picture and in my distant youth I practiced law and handled collections and made some garnishments. It is a tool—a last-resort tool for the legitimate creditor to try to collect from the deadbeat debtor.

Mr. WILLIAMS. Do you think this is a tool that the small businessman needs to have available to him in his effort to stay in business?