

As I noted earlier, our society can no longer afford to condone the crass exploitation of consumers that is now so prevalent. If consumer fraud is to be done away with, it is essential that there be strong enforcement machinery and that the perpetrators of such fraud be confronted with criminal sanctions. This is not the case today. The Attorney Generals of some 23 states now have Consumer Fraud Bureaus modelled after the one set up in New York by Attorney General Lefkowitz. But for all his investigation of consumer complaints and his efforts to negotiate them, the Attorney General of New York does not have the power to prosecute the perpetrators of fraud. To my knowledge, not a single businessman in New York has been put in jail for cheating his customers. Until strong enforcement machinery is instituted, I see little hope of making much headway in eliminating fraud. One of the merits of the proposed law is that it does provide for criminal penalties for violations. I would like to suggest that these penalties be strengthened and made to cover even more offenses. In this connection, I would also like to suggest that the responsibility for enforcement of the various provisions of the Act be placed in the hands of the U.S. Attorneys' offices rather than in the central office of the United States Attorney General. The U.S. attorneys are much closer to the local scene in which the violations occur and they should not have to wait for authority from the Attorney General to act.

In closing, I again commend the Committee for attempting to come to grips with one of the major problems confronting America today.

Mrs. SULLIVAN. Thank you, Mr. Caplovitz.

Mr. Kimball, do you think you could summarize your paper?

Mr. KIMBALL. I most certainly will.

STATEMENT OF GEORGE H. KIMBALL, PRESIDENT, KIMBALL'S, PORTSMOUTH, N.H., REPRESENTING THE NATIONAL RETAIL MERCHANTS ASSOCIATION; ACCOMPANIED BY JAMES WOOLEY

Mr. KIMBALL. Since Congressman Wyman introduced me I will skip over the introduction and you know what the National Retail Merchants Association is.

I will say that we are a group of reputable businessmen and the large portion of our membership is composed of businesses doing \$75,000 to \$2 million annually which is considered small business.

Since the original introduction of the first truth-in-lending bill in the Senate, the National Retail Merchants Association has been working with and appearing before committees in an attempt to develop legislation which can be considered fair and equitable to all concerned.

Our policy during this entire period has been and remains as follows:

Consumer credit is an indispensable element of a sound and prosperous American economy. It has enabled the American consumer to enjoy a standard of living unparalleled in the history of the world—a standard of living which could not have attained without the liberal availability of consumer credit.

NRMA member stores extend credit in response to the needs and desires of their customers. We accept a responsibility to accurately and fully present to the consumer all the important facts pertaining to the merchandise and its use, including the terms of purchase. We support the principle of full disclosure of credit terms in a manner which is truthful, complete, and meaningful to the consumer.

Any legislation which seeks to regulate consumer credit should be consistent with the principle stated above. It should not encumber the retailer with impossible, burdensome requirements that might tend to limit the availability of credit to the consumer. It should give recognition to the fact that the costs of extending consumer credit represent more than simply the cost of money, and give due regard to all of the