

us who do pay our debts. It is unfair competition to those who extend credit more carefully. I have seen data which show that in some cities, one or two merchants are involved in most of the garnishment procedures. Restrictions on garnishment should be such as to make it unprofitable for merchants to extend credit too loosely.

The league also endorses the provisions for establishment of a bipartisan National Commission on Consumer Finance. We would hope that there would be adequate consumer representation on the Commission, and that it would look into many of the questions which have been raised at these hearings.

The league has no position on the section of H.R. 11601 which deals with the regulation of credit for commodity futures trading. This is a very technical question, which we have not looked into sufficiently to formulate a policy. Likewise, we have no position on standby consumer credit controls, or on the provision for an 18-percent ceiling. My personal feeling on the latter is that it might easily result in 18 percent being a floor as well as a ceiling, which would be most undesirable.

I do want to commend you, Mrs. Sullivan, and all the members of the committee for the very serious attention that you are giving this vital problem for consumers and we are delighted to have a chance to present our point of view here.

Mrs. SULLIVAN. Thank you, Mrs. Newman.

I know you have been in attendance at these hearings for the past 10 days, and a very interested listener.

(The full statement of Mrs. Newman and S. Klein card follow :)

STATEMENT OF SARAH H. NEWMAN, GENERAL SECRETARY, NATIONAL CONSUMERS LEAGUE

Mr. Chairman, my name is Sarah H. Newman. I am the General Secretary of the National Consumers League, an organization which since its formation in 1899 has concerned itself both with protection of the consumer and with the responsibility of the consumer to those who produce the goods and services which we purchase and use. The League has always operated by first investigating the facts, then educating its membership and, when necessary, campaigning for solutions to the problems. Long before President Kennedy announced as one of the four fundamental rights of the consumer the "right to be informed", the League was convinced that only with full information could consumers be equipped to carry out their responsibility to themselves, to their families, and to the nation. We are, therefore, very pleased to appear before you today in support of H.R. 11601, a bill which would substantially improve the consumer's right to be informed of the cost of credit.

I have been tremendously impressed during these hearings with the fact that there is hardly any dissent as to the desirability and need for enactment of a credit disclosure bill. After long years of lengthy detailed hearings in which the opposition to Truth-in-Lending seemed adamant and almost monolithic, it is as if a fresh breath of spring has swept through the atmosphere, and we can now all get down to working out the details of a bill which will really do the job.

So I will not take your time to list all the reasons which justify enactment by the Congress of a bill which will bring back more effective competition in the lending industry and enable consumers to make a rational choice in this multi-billion dollar area of expenditures. Instead, I would like to address myself to the provisions of H.R. 11601 which differ from S. 5 as it passed the Senate. The National Consumers League does not believe that S. 5 will provide consumers with the information they really need. Although we are indeed pleased that the Senate has finally passed a credit bill, and although we understand why compromises were made in that bill, we are grateful to you, Mrs. Sullivan, and to these other members of the House, for introducing H.R. 11601 and giving us another opportunity to obtain the kind of disclosure which will eliminate the confusing terminology and practices that have arisen in the credit industry.