

Yes, we are badly in need of legislation which will once again restore some sanity and decency to the area of credit.

In closing we believe it to be essential to remind you of some very vital statistics.

Half of all American families are now paying installment debt—two-thirds of them at last count—either had no money set aside for emergencies or had anywhere from \$1 to \$500 to tide them over in case of illness or death, loss of job or other disaster.

A full one-quarter of the poorest citizens, those families with incomes under \$3,000 a year, were paying some installment debt. About half of these low-income debtors were spending at least 20 per cent of their incomes to pay off what they owe.

This is only part of the story. When the money we owe on our mortgages is included, a Commerce Department study shows that the average American family is using almost one quarter of the take-home pay to satisfy interest charges and to repay installments loans and mortgages.

There is mounting evidence that consumers are finding it more difficult to keep up their loan payments. A study by the American Bankers' Association discloses that at the end of April of this year, consumers were 30 days or more behind on 1.75 per cent of installment bank loans, the highest delinquency rate since the 1961 recession.

It is our sincere hope that your Committee will hold fast to the bill as it is presently written. That you will exert all of your might to assure its passage by the House and that out of the conference committee their emerge a bill closely resembling the present one.

We sincerely hope, that our expectations and your efforts will be rewarded with legislation which will do honor to the Congress of the United States and provide a measure of decency and protection to all of our citizens who have need of a credit vehicle.

Once again our sincere appreciation for your kindness in permitting us to be heard.

Mrs. SULLIVAN. Thank you very much for coming.

Tomorrow morning, we plan to complete this series of hearings, unless additional information is required. We will hear from the president of the Independent Bankers Association, and from representatives of the United Automobile Workers of America and the Industrial Union Department of the AFL-CIO. We have received many communications from associations and organizations which have a direct interest in this legislation, or in some aspect of it, and those communications will go into our hearing record when appropriate.

The subcommittee will now recess until 10 o'clock Friday morning, August 18.

(Whereupon, at 12:30 p.m., the subcommittee recessed, to reconvene Friday, August 18, at 10 a.m.)

(The following material was subsequently submitted for the record:)

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, September 6, 1967.

HON. LEONOR SULLIVAN,
*Chairman, Subcommittee on Consumer Affairs, Committee on Banking and
Currency, House of Representatives, Washington, D.C.*

DEAR MADAM CHAIRMAN: At the conclusion of my testimony before your Subcommittee on August 17, 1967, on H.R. 11601 and related bills to provide for consumer credit protection, I was presented with two questions by counsel for the Subcommittee, and requested to furnish for the record my responses to them.

The questions and my responses are as follows:

"1. Mr. Secretary, are you aware of a study prepared by the Bureau of Business