

dangerous to leave private buying and selling, and use of credit, without restraint. The bill authorizes temporary controls which will restrain the use of credit to conform with the current incomes and with availability of commodities, so that excessive purchases, shortages, and rising prices may be avoided.

The burden of keeping the use of credit within such bounds as are beneficial to consumers and to the national economy is not placed entirely on consumers and on Federal regulatory agencies. The legislation also puts some of that burden on the businesses which extend credit. It does that by prohibiting the garnishment of wages. The tragedies which follow the zealous use of garnishment have been cited time and again in truth-in-lending hearings, and in the work of legal aid groups in New York and elsewhere. The bill simply prohibits the garnishment, placing upon the creditor the burden of restraining his overselling, and limiting himself to credits and rates of charge on credits which are within the reach of his customers.

Finally, the bill proposes the creation of a National Commission on Consumer Finance. Such a Commission should have been authorized years ago when the truth-in-lending movement began, but at that time there were many obstacles. With a consumer credit protection law in effect, the consumer finance industry could participate in providing the details of its operation which would assist in the formulation of regulations.

Let me commend the subcommittee for its constructive efforts in this area. Consumer interests are by nature disorganized. Therefore, they depend for their protection upon the public-mindedness of legislators such as the members of this subcommittee. It is a privilege for me to cosponsor what should become landmark legislation.

Mrs. SULLIVAN. Congressman Scheuer of New York, whose statement will follow, brings to his membership in the House of Representatives an impressive background in law, public administration, and private business. As a businessman he made a notable contribution to the redevelopment of our cities through his redevelopment and housing activities, including the Southwest area here in Washington. He is very close to the problems of moderate- and low-income families.

STATEMENT OF HON. JAMES H. SCHEUER, A REPRESENTATIVE IN CONGRESS FROM THE 21ST CONGRESSIONAL DISTRICT OF THE STATE OF NEW YORK

Mr. SCHEUER. Last month, the Senate passed S. 5, the Truth in Lending Act, which brought to fruition a proposal first advanced by Senator Paul Douglas in 1960. For years, Mr. Douglas maintained interest in and actively worked toward gaining support for this proposal. We now are the beneficiaries of his labor. The concept of truth in lending grew from an awareness of a need to enlighten consumers about the cost of their credit transactions.

The volume of consumer credit increases yearly and yet the individual consumer does not understand just how much it costs him. There have been instances where individuals have paid up to 289 percent interest on used automobiles or 285 percent on television sets. When rates are expressed on a monthly payment basis, the average person does not know the mathematics involved in arriving at a