

thetic concern and best efforts. We cannot afford to compromise where the consumer is involved.

Mrs. SULLIVAN. Our next statement will be from Congressman Farbstein, of New York. I am glad to see so many Members of the House from New York taking a very strong and active interest in this legislation. Congressman Farbstein serves on the Foreign Affairs Committee but does not permit his heavy workload on that committee to deter him from taking a very vigorous interest in all issues in the House which concern his constituents as consumers.

**STATEMENT OF HON. LEONARD FARBSTAIN, A REPRESENTATIVE  
IN CONGRESS FROM THE 19TH CONGRESSIONAL DISTRICT OF  
THE STATE OF NEW YORK**

Mr. FARBSTAIN. Madam Chairman, credit has become an integral part of our economic way of life. It allows the consumer to enjoy a variety of goods while paying for them over a period of time. However, the innumerable credit plans offer a bewildering assortment of rates and terminology. The result has been public confusion and misunderstanding. I believe it is time that the Congress passed comprehensive legislation aimed at ending this confusion by assuring the consumer easily understood credit standards.

Basic to any consumer legislation is a provision requiring full disclosure of credit terms. In my opinion, this should include disclosure of finance charges by annual percentage rates as well as in dollars and cents. Contrary to the Senate passed truth-in-lending legislation, I believe full disclosure should include such areas as revolving charge accounts and first mortgages on homes. Although revolving charge accounts represent only a small part of the total consumer debt, it is the fastest growing form of credit used, particularly by the small purchaser who can least afford excessive credit rates. Additionally, I believe there should not be a minimum limit on the dollar size of a credit transaction covered under this legislation. Again, low-income citizens would be the ones most injured by abuse of credit practices on small dollar purchases.

Full disclosure of finance charges will enable the prudent consumer to match credit plans with personal needs. It will also make it easier for him to compare different sources of credit. I believe the Congress has a responsibility to assure the American consumer adequate information on which to make wise credit decisions. Such informed use of credit can increase the competition among credit institutions to the general benefit of the consumer.

One of the most alarming trends in American life is the growth of personal financial failures. This is particularly true in States where the garnishment of wages to pay overdue credit debts is allowed. Such a practice often leads to the filing of bankruptcy by individuals, forcing them to claim poverty in court. This can disrupt a person's life. It could even cost a person his job at a time when he needs it most. It will not guarantee the creditor his money back. In my opinion, we should move to prohibit the practice of garnishment of wages as detrimental to sound credit relations.

The size and complexity of the consumer credit industry requires that we know much more about it than is presently true. I believe