

and the world headquarters for many industries whose contribution to the national economy is vital and immeasurable—cannot solve the problems of the poor by itself. In fact, the disproportionate burden it carries in the area of fulfilling basic, human needs prevents it from attacking some of the many, purely local problems it faces.

I recognize that there are still local problems to be solved at the local level, using mainly local funds. But, I also see that in your proposed legislation you recognize that there are national problems affecting the cities that can best be solved nationally using mainly federal funds. I thrust that in the future the Congress will address itself to more of these problems.

I endorse the proposed "Truth-in-Lending" legislation, and I commend Congressmen Bingham and Sullivan for sponsoring it. Its enactment will prove beneficial to a broad spectrum of the American public, but, by inference, it can be seen that the poorer segment of our society will benefit most from it. Poverty is very often accompanied by—and indeed caused by—a lack of education and language barriers.

We have graphic evidence of this in many areas of New York City, including the South Bronx which I have represented in the State Assembly and the City Council for almost two decades. Your bill's full-disclosure provision, its ban on the use of confessions of judgment and Title II, which prohibits garnishment of wages, will help our people in direct proportion to their need for such assistance, as reflected by their economic status. This will hold true for the poor of the South Bronx, the West Side of Chicago and every part of the nation.

These people, while waiting for solutions to be found to their basic problems of education and employment, will continue to reach out, through the media of borrowing and installment buying, for a few of the niceties of living that so many Americans take for granted. Your proposed legislation will help them. As far as New York City is concerned, it will take its place alongside the many consumer-protection laws enacted in this very chamber and be an effective weapon in the most horrid war of all—the economic war that discriminates most against the poor and continually widens the gap between the affluent and the destitute and near-destitute.

I would like to add, Congressman Bingham and Congressman Halpern, I think the mistake that we have all made in this country for too many years is that we don't look upon money as a commodity. It's almost impossible to convince the buying public that when they buy a loaf of bread, when they buy a piece of furniture, when they buy an automobile, they are in the same position as when they take a loan.

If a person were to mark an item at a certain price and try to get a higher price for it, or take advantage of the buying public, there are laws to protect the consumer. Certainly we must have similar protection in the area of borrowing money. That is the commodity that the lender sells. That is the commodity that the borrower buys. Unfortunately, the borrower doesn't realize that when he makes a loan, when he is buying something on time, he is purchasing a commodity, in this instance, the use of money. He has to pay for this.

This is right, but he is entitled to know what he is paying for. I have sat through many a complicated legal transaction in my private practice where I have seen educated people, accountants, who will debate what the actual cost of the money will be. If people with Master's degrees in mathematics are required to compute what the interest rates are on loans, the law is bad.

In fact, there is no law. We speak in terms of six percent interest. It's amazing how six percent interest can become nine percent when it's compounded and you add on some fees. It's amazing how one and a half doesn't add up to eighteen, but it adds up to twenty-five or twenty-six or, if you will, even higher.

Gentlemen, the people that are being hurt the most are those that require the protection the most. I am not concerned here, as I am sure you people aren't, with the person who can go out and afford what he wants to buy and pay for it in cash.

The Truth in Lending bill directs itself, and properly so, to that great segment of the American population that borrows on time. This is a very important segment of our economy, and if people can't borrow on time, our economy will be seriously affected.

Because a person buys on time, is he to be less protected than a person who goes out and buys furniture and pays cash? The answer must be as your bill