is directed, Congressman, because obviously here is where we have the greatest need for protection among the least educated, among those who don't have mathematics degrees.

I think I am reasonably good in mathematics. I can't compute the cost. When I do, I turn around to one of my sons, who is a much finer mathematician, and he comes up with a different figure. Is it fair to ask the consumer public to have less protection than those of us who pay cash?

It's interesting to know that there is so much money in the lending of money that it's common knowledge that certain automobile companies over the years have paid bonuses to their salesmen when they sell a car on time. When you think in the abstract, the contrary would be so, but it isn't that way. They weren't interested in a man coming in and paying $2,400 for a car, when a person buying on time is paying $3,000 or $3,200, and that's financed and added to the top, and service charges and collection of fees. And then there is another gimic, if you will.

You know, we have had many instances in this area and around the country where one of these smaller money lending companies, perfectly legitimate, within the law, perhaps not moral, who makes a $200 loan, and you know, it's not unusual for the legal fees that are written in advance for the collection of that loan to be equal to $100. So we are back again on that revolving door. A person is born in poverty, he borrowers to get some of the minor nicities of life, and he can never climb out.

Many years ago it was made illegal to put a person in jail for debt. It was a debtor's jail, but you know, we haven't come as far as we think. We have these people who are in prison for life. It's amazing.

I spoke to a constituent of mine not long ago, and he went in to buy a rather moderate priced car and came out with one of the very expensive cars that belong only to the affluent. When I pointed out to him that he should not have purchased that car for $6,000, he told me he needed the car for work. I pointed out that a $2,000 or $2,300 car was adequate for him. But the salesman told him the former car would cost him $30 a month to pay for it, and for another $5.00 a month he could buy this car.

Nothing was further from the truth. These people never end up owning their car, because by the time he gets through paying for it, it's ready for the junk yard and the spiral goes on ad nauseum.

Gentlemen, this is an excellent bill. If anything, it's overdue. Then, I am aware of the problems of legislation, how long good legislation may take. I don't think your bill is all-encompassing. It can't be, because too many of the companies involved in the lending of funds are under the control of either Federal or State agencies and whenever you get this bill passed—I hope it will be shortly—and where there are any loopholes, through no fault of yours, I promise you the Council of the City of New York will address itself to those loopholes.

This is good legislation. I want to thank you for presenting it and I trust it will pass in the not too distant future.

The CHAIRMAN. Thank you, Councilman Ross. We are very grateful to you for making this meeting possible in this Council chamber, and we are proud of what New York City is doing under your leadership, and others, to protect the consumer.

Thank you very much.

Congressman HALPERN. I would like to commend the Majority Leader on his perceptive and most informative presentation. You did a superb job and I am sure it will be helpful to us in shaping meaningful legislation.

Councilman ROSS. I want you to know, Congressman, that I lived in the South Bronx all my life. There are two types of businesses that have always flourished. One is a pawn shop and the other a lending company. You don't find these in the affluent part of the City. I am sensitive because tonight I will be sitting holding court, if you will, in my community. I can assure you almost as many people with the usual problems of welfare and housing in that type of an area, and it's just amazing how many people come in holding summonses, garnishees, for something they bought four years ago, three years ago, which didn't work because it's legal. It should be corrected.

The CHAIRMAN. Thank you.

I might say that we have a statement from the Council President, Frank E.