

Congressman HALPERN. Thank you very much.

The CHAIRMAN. Thank you very much, Mr. Sampson. That is most impressive testimony.

Our next witness is a member of the bar and has particular expertise in the field of compensation, a former President of the New York Compensation Board, Miss Jeannette Harris.

STATEMENT OF JEANNETTE H. HARRIS

Miss HARRIS. Thank you very much, Mr. Chairman.

My name is Jeannette H. Harris and I am an attorney, having practiced in the City of New York for more than twenty years. I have specialized mainly in claims under the Workmen's Compensation Law and claims involving employees of the City and of the State of New York who become disabled and are entitled to benefits under Pension and Retirement laws. I am Past President of the New York Workmen's Compensation Bar Association. I am now Chairman of the Committee on Workmen's Compensation Law of the New York County Lawyer's Association.

My work brings me into contact with thousands of low-income workers at a time when they are disabled from working and dependent upon the pitifully low benefits paid under the Workmen's Compensation Law of this state. (While maximum payment is \$60.00 a week, many disabled workers receive much less, as little as \$20.00 a week, and often they receive nothing while the claim is in litigation.) Faced with a stoppage of income, it is then for the first time that an instalment contract is examined. How many times have I heard one of my clients say:

"I thought the price of the TV set (or the sofa, or some other article) was \$300. I have been paying \$5.00 a week for a whole year; I still have to pay \$5 for another year; that makes \$500, not \$300. Now they tell me if I don't pay, they will take away the set and sue for the balance just the same."

Many times the client does not even know the actual price; only that he was supposed to pay \$3 or \$5 every week for a certain number of weeks. Shall the answer always be as it was in Ancient Rome, Let the Buyer Beware? We think we have advanced far beyond that civilization in ethics, morality and honesty. At least let the buyer know the price he is paying for the article and the price he must pay for credit, leaving it up to him to decide if it is worth the extra charge.

I believe that no responsible business man is averse to giving the facts, indeed good business men would rather make a cash transaction and be willing to give a discount for cash, thus making the gap between cash purchase and credit purchase even wider.

But it is in the realm of finance companies that one sees the worst aspect of these instalment payments. Take my disabled worker, pressed for payment and in fear of losing his whole investment. He goes to one of those loan companies who advertise that it is better to "consolidate all your little debts into one big one." The company is happy to oblige and take over the payment of the instalment contract and even give an extra \$25.00. Payment, he is told will be suspended for two months, which he believes will be long enough for him to get back his job and collect the compensation he hasn't received. Later, when for some reason he is still unable to work, he learns to his dismay that the paper he signed is a chattel mortgage covering not only the items of the instalment contract, but in addition every stick of furniture and clothing he possesses.

It follows that for the greatest good, a statement should be required in simple English of the actual terms.

In addition I suggest that the law make provision whereby when for good reason (illness, disability, accident) and the buyer is unable to complete payment within the time required but has paid at least 50% of the actual purchase price, exclusive of finance charges and interest, an extension of time to pay is automatic, with even a reduction of the amount of credit charges.

The members of my profession, practicing in my specialty, would also approve, as I do, the prohibition of garnishment of wages. The Workmen's Compensation Law prohibits assignment, attachment or garnishee of compensation payments (Sec. 33, WCL) and this provision has worked well, despite the great outcry at time of original enactment that the businessman would be defrauded, that it would be a means of taking money from the creditor without due process of