

I can only say this after personal knowledge, after almost 25 years in this field, that the field of consumer credit has expanded and is continuing to expand. The bankruptcy rates have increased. The economic morality of the individual is being discouraged by a certain segment of the credit industry by the encouragement of bankruptcy and the encouragement of avoiding obligations.

I also ask you to consider who in the business world has supported the Truth in Lending Bills, the Truth in Advertising bills? Who has taken the position for the consumer? If it was not individuals and members of the Association of Credit Counselors.

Have those who have opposed the "outlaw legislation" as I term it—is it done in the benefit of the public interest or are they attempting to create an avenue where the individual has no escape from this happening, mounting of indebtedness.

We have been accused as an association of being opposed to the non-profit organizations being established. This is completely untrue and false. As far back as 1959 our association, through its president, Harry Katzen, offered services and continued help to any organization.

In 1962 when I was president of the Association, I wrote to the AFL-CIO and a copy of the letter will be presented to you, offering our services.

Our only objection is, we refuse to allow the consumer to be held in the clutches of a certain segment of the credit industry who dominate, finance and control this.

The cost factor of the non-profit organizations throughout the country are almost identical with the charges that the ordinary professional credit counselor is charging. It is certainly not excessive, and these are figures that are taken out of the publications—quarterly reports by some of the finance companies.

In the State of New York certain bar associations attacked vociferously the outlawing of this bill in this field.

It so happened to land on Governor Harriman's desk the day an indictment was filed against a firm called Silver Shield. Strange as it may seem, the Silver Shield, as the National Better Business Bureau records will document, was owned and controlled by attorneys.

I don't believe any profession is beyond the point where certain individuals will not abuse it, but I certainly believe that ten years of complete, clear, ethical operation without one justifiable complaint in the state of California will prove that regulation will work.

In comparison with Chapter 13, our organization alone last year distributed almost one-third as much funds back to creditors as Chapter 13 did throughout the entire country. It is effective. It is a service and it works for the benefit of the consumer, and notwithstanding certain segments of the credit-oriented industry, it works to their benefit.

I would like to also present at this time the written testimony of an individual who could not appear, Mr. Charles Genosky of Minnesota, which has been submitted to the Clerk of the Committee.

I would like at this time to basically submit this material to suggest some language for a bill.

Mr. SISK. His statement will be made a part of the record at the conclusion of your testimony.