

To give this Subcommittee an authentication of the development of this service under regulation in my State, for instance, there have been submitted a number of copies of a survey conducted in Illinois by the Governors' Advisory Board for Financial Planning and Management among 1,500 employers, business and professional interests, lawyers, labor organizations, credit unions, church and welfare groups.

Briefly, the report of the survey, with 40% of the questionnaires completed and returned, establishes that the services provided by licensed counselors in Illinois are considered beneficial by an overwhelming 95% of those surveyed. This result was reached in spite of the fact that we have had abuses in Illinois by unqualified people and is evidence that such abuses have been all but eliminated by regulation and by the determined efforts of professional counselors.

The agency of which I am Director is so far the only nonprofit consumer counseling agency in Illinois. It was organized with the idea of involving the broadest community control and participation. As you may know, a number of not-for-profit services have been set up in the various states within the last few years.

In this regard, the troubled consumer is faced with an increasing dilemma because most of these non-profit agencies are supported and controlled mainly by installment-creditor interests. Now, I have respect for the economic contribution of installment credit. I have due regard for its power. But as an analogy to consumer counseling, it is no lack of regard to say that alcoholic clinics should not come under the control of the liquor dealers. Creditor control of consumer assistance cannot work and cannot be permitted in the American society. It is a very great concern to me.

As a matter of fact, I must admit that, in our own agency in Chicago, we face the problem. We organized with the understanding that credit interests would remain strictly in the minority of control. However, because the small loan interests took the lead in raising the quarter million dollars needed to launch the service, control of our Board has gravitated toward those interests and our announced policy of full service to the low-income debtor is now threatened. Unless the trend is reversed and this imbalance corrected, we confront the danger of degenerating to a sort of approved collection agency, serving those clients most profitable to installment creditor interests, with considerable restrictions on our freedom to speak out on consumer credit abuses, of which our counseling agencies across the country see possibly the highest concentration of all the organizations concerned with family financial problems.

That is the concern which brings me to Washington to appear before this Subcommittee.

If and when qualified and unrestricted consumer counselling services can be established widely and maintained on a non-profit basis, I am all for such a development. I believe Federal Reserve figures indicate 40% of our families are committed for installment payments beyond a safe margin. The consumer needs all the help he can get.

But it must be recognized that the main body of the effective work in this field is being carried on today by the private, or what the loan companies call the "commercial," counselor—where both the counselor and the client family are supported and protected by adequate regulation.

The qualified private counselor must be encouraged in his efforts, of for no other reason than to have him and his experiences available to us for the establishment of effective, non-profit community services later on when enough people become aware of the magnitude of the problem.

The whole matter of the economic health of our families stands in close relation today to matters of physical and mental health. Guidance toward economic health is a matter of utmost necessity for rebuilding and preserving family stability in this society.

When I addressed the national convention of the Legal Aid Societies in Denver in 1957, in the interests of regulatory and qualifying legislation on consumer counseling (and was opposed on the platform by a public relations officer of a giant, small-loan chain), I assured the delegates that the American Association of Credit Counselors stood ready to assist any community and any state legislative body in the establishment of controlled and qualified services where such services did not exist.

Again I take the liberty of referring to Mr. Justice Fortas, then in private law practice, who was in the convention and whose remarks concerning consumer assistance were recorded in part as follows: "I deplore the efforts to eliminate this service from the roster of services that are available to American families".