

Minneapolis Tribune Praises the President's Speech to the Nation

HON. WALTER F. MONDALE

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES
Wednesday, April 10, 1968

Mr. MONDALE. Mr. President, in his speech to the Nation, President Johnson exhibited what the Minneapolis Tribune rightly described as "statesmanship on a plane commensurate with the traditions and ideals associated with the Nation's highest office."

His offer of peace to the world and unity for our land may be judged as his greatest act—and certainly his greatest sacrifice.

He placed—in the words of the Minneapolis Tribune "the needs of the Nation above partisan advantage to himself," unity above party, peace above politics.

The President joined his plea for united purpose at home with a call for united international action for peace abroad. And to demonstrate the sincerity of his offer and the intensity of his convictions, he made the supreme political sacrifice—he took himself out of partisan politics.

If we in America—and if the nations the world over—can match the President's dedication to freedom and tranquillity we cannot fail to succeed.

His sacrifice was as great as his belief that peace in the world and unity in the United States are more important than the fate of any man.

I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Minneapolis (Minn.) Tribune, Apr. 1, 1968]

THE PRESIDENT'S SPEECH

President Johnson last night delivered what future historians may record as the greatest speech of his presidency, a speech that may prove to be the principal turning point in his administration. A stunned nation today will be appraising President Johnson's decision not to seek or accept renomination, and assessing the future impact of this decision upon the crucial political steps to be taken by both major parties later this year.

We believe the President's speech was statesmanship on a plane commensurate with the traditions and ideals associated with the nation's highest office. Mr. Johnson clearly placed the needs of the nation above partisan advantage to himself or to the party under whose political banner he has served in Washington for more than three decades.

His decision to cease the bombing of most of North Vietnam for an indeterminate period is a courageous one, both because of the political risks at home and because the shift implies recognition that his previous policy was not succeeding.

The President's decision to send only 13,500 troops to Vietnam to support the 11,000 sent recently reflects growing American opposition toward a further buildup of American forces in a stalemated land war in Asia. The South Vietnamese were warned last night that the war is principally theirs to prosecute, and that American fighting men cannot win for South Vietnam what its citizens are unwilling to do for themselves.

Significantly, the President last night expressed the hope that "all the South Vietnamese," a description which presumably includes the Viet Cong, could chart their course free of outside interferences.

The President reminded the world that there is a useful role for other nations—the mentioned Britain and the Soviet Union, as co-chairmen of the Geneva conferences—to play in obtaining peace for Southeast Asia. The British have long indicated their willingness for such a role. We hope the Russians now will come forward also, even though there are reasons, including their relationships with China and North Vietnam, that such a role may be difficult for Russia.

The President again called upon the Congress to recognize and act upon its fiscal responsibilities. The Congress must increase taxes, unpopular though this may be in an election year, because such a step is needed to lessen the dangers of inflation at home and to restore confidence abroad in the American economy. The President spoke with realism and courage. We hope Congress responds in kind.

By removing himself from personal competition for the next four years of the presidency, President Johnson has, we believe, greatly improved the nation's opportunity to achieve those goals to which most Americans—including Vice-President Humphrey and Sens. McCarthy and Kennedy on one side and former Vice-President Nixon and Gov. Rockefeller on the other—subscribe. We hope that the credibility gap that has dogged the Johnson administration will now be dissolved by the President's action of last night. Let the North Vietnamese reassess America's desire for peace with honor. Let other nations reassess their general belief that no real peace negotiations can take place before the November election. Let the American people reassess their own disunity.

President Johnson has made a generous offer toward peace in the world and toward unity in our land, and perhaps this offer will someday be measured as his greatest act.

Teachers-in-Politics Weekend

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 10, 1968

Mr. THOMPSON of New Jersey. Mr. Speaker, April 5 marked the opening of a unique program sponsored by the National Education Association and its constituent State associations. The program is called Teachers-in-Politics Weekend.

The purpose of the program is to focus the attention of our teachers on the political process by a series of clinics and seminars at which they may meet and hear their elected representatives on the State and national level.

Mr. Speaker, I cannot think of any more appropriate time for this observance. I can recall no other period in our national life when we have had more remarkable happenings on the political scene than we have witnessed these past 10 days. I think that our teachers should get involved. A teacher who is alive to the workings of our political system will be able to bring a fuller appreciation of our democratic system to the classroom and, in the process, be in a better position to participate in the conduct of public affairs. I commend the NEA for sponsoring this observance and I would hope that it would become an annual event.

Strong Truth-in-Lending Bill Needed for Proper Protection of the Consumer

HON. DANIEL B. BREWSTER

OF MARYLAND

IN THE SENATE OF THE UNITED STATES
Wednesday, April 10, 1968

Mr. BREWSTER. Mr. President, on April 9, conferees of the Senate and House began the job of deciding upon the final form of one of the most vital pieces of consumer legislation in years—truth in lending.

The truth-in-lending bill passed by the Senate last year and the one approved by the House in February have significant differences. In brief, these differences make the House bill a stronger and better one in protecting the interests of the American consumer. For instance, unlike the Senate bill, the House bill covers revolving credit, transactions where credit is \$10 or less, credit advertising, and garnishments.

Today I should like to address some remarks to the question of why we need a strong truth-in-lending bill—like the House bill—one that leaves no doubt to its adequacy in protecting the consumer.

The case for strong truth-in-lending legislation is more compelling today than ever before. Consumer credit has become more and more an integral part of the American way of life. Since 1960 the total of such credit—excluding mortgage credit—has risen some 69 percent to an all-time high of over \$95 billion, or almost \$500 for every person in the United States.

The major portion of this consumer credit is installment credit. This type of credit has risen since 1960 by a whopping 74 percent to a record high of about \$75 billion.

The benefits of credit in our way of life are clear, for it permits a family to enjoy a standard of life beyond its current savings and income. But its dangers are equally obvious; it can lead to financial ruin and poverty.

To be sure, the American credit-buying consumer knows the goods he is buying and their price. But the trouble is that the consumer is rarely aware of the dollar cost or the annual percentage rate paid for the use of credit. No one disputes that this lack of knowledge is a major contributor to the abuse and misuse of credit.

The reason for the lack of knowledge about the true costs of credit stems largely from the varying and confusing manner in which credit costs are stated. The array of practices defy comprehension of even the most intelligent citizen. For example, one finds such practices as add-ons, sales price versus cash price, discounts, term price differentials, and differing service charges.

From all of this then there is little wonder why there has been a rising tide of consumer bankruptcies. Bankruptcies, in fact, have risen faster than consumer debt—by 80 percent since 1960.

In view of the increasingly widespread use and misuse of consumer credit, it has become increasingly clear that consumers must be given full and comparable

information on what credit costs them in easily understandable terms.

This, in brief, is one major reason for the drive that has been underway for more than 7 years to get truth-in-lending legislation enacted into law. The battle has been a long and hard one, and the issues have been complex and confusing. We are now near the end of this difficult road, and success—victory for the consumer—is in sight.

Just recently, there was an interesting television program that focused well on the question of truth in lending and where it stands today. Sponsored by the Georgetown University Forum and shown March 17 on WRC-TV, the program was entitled: "Truth in Lending: Its Promise and Importance." The participants in the program were Joseph W. Barr, the Under Secretary of the Treasury; Representative LEONOR K. SULLIVAN, chairman of the House Subcommittee on Consumer Affairs; and Charles R. McNeill, director of the Washington office of the American Bankers Association. For the information of those who did not see the program, I ask unanimous consent that a transcript of the proceedings be printed in the RECORD at the end of my remarks.

I urge Senators who are members of the conference committee to give close and careful consideration to this important piece of proposed consumer legislation. I hope they will cast their votes for a strong, fair, and equitable truth-in-lending bill, such as the one the House has passed.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

TRUTH IN LENDING: ITS PROMISE AND IMPORTANCE

(Georgetown University Forum, as broadcast over WRC-TV, Channel 4, March 17, 1968, and WETA, Channel 26, March 18, 1968)

Moderator: Wallace Fanning, NBC News.
Panel: Honorable Joseph W. Barr, Under Secretary of the Treasury; Honorable Leonor K. Sullivan, U.S. Representative from Missouri, Chairman, House Subcommittee on Consumer Affairs; Mr. Charles R. McNeill, Director, Washington Office, American Bankers Association.

PROCEEDINGS

Mr. FANNING. Welcome to another in our series of Georgetown University Television Forums. I'd like you to meet the members of today's panel.

The Honorable Joseph W. Barr, the Under Secretary of the Treasury; the Honorable Leonor K. Sullivan, U.S. Representative from Missouri, Chairman of the House Subcommittee on Consumer Affairs; and Mr. Charles R. McNeill, Director of the Washington Office of the American Bankers Association.

The question of whether or not there should be Federal legislation in the form of a truth-in-lending bill has been before Congress for eight years. In recent months, both the House of Representatives and the Senate have passed such a bill. The two versions now are being discussed in conference committee representing the two branches.

Consumer credit is a huge fact of American life, and therefore every American might well want to know the latest developments in the congressional efforts to protect the consumers. For that purpose, we have invited a representative of the Executive Branch, a Congresswoman who has fought valiantly for passage of such a bill on the floor of the House, and a representative of the American Bankers Association. They will

expound the purpose of the legislation, the problems involved, the needs for and the limitations of Federal legislation, and the anticipated results when the bill reaches its final form.

Mrs. Sullivan, would you begin the discussion, please?

Representative SULLIVAN. Be happy to, Mr. Fanning.

Basically, the purpose of this legislation is to provide for the customer—the consumer—the facts which he has to have in order to be able to use credit in an informed manner. We require in the bill that in every consumer credit transaction the seller, or the lender, has to tell the buyer, or the borrower, the full amount of all of the extra costs—the full amount of the money that's involved in the transaction, including the principal amount and all of the extra costs added for the purpose of financing the obligation. And these have to be spelled out in understandable terms, and then translated also into an annual percentage rate, so that the customer can compare the credit costs on the rate basis as well as on a dollar-and-cents basis. And in addition to comparing one type of credit offer with another, the consumer can, if he knows the actual percentage rate of a credit charge, compare that rate with the percentage rate of the return on his own money; that is, if he has a savings account or makes an investment, he can compare what he gets when he invests with what he has to pay when he borrows. So I think the annual percentage rate is the heart of this issue—to give the consumer or the customer the proper information in order to "shop for credit" as he shops for merchandise.

Mr. FANNING. Now, Mrs. Sullivan, what you've been talking about, essentially, is the House bill, your bill, is that true?

Representative SULLIVAN. That's right.

Mr. FANNING. Now, how does this differ from the Senate version?

Representative SULLIVAN. Well, there are nine really major differences in the House and Senate bills.

Number one is that all first mortgages are covered in the House bill, not the Senate's. Where the Senate has exempted all department and catalog houses from expressing their credit rate on an annual basis for their revolving charge accounts, the House bill has removed that exemption and now these revolving charge accounts must be expressed on a nominal annual percentage rate the same as all other sellers of credit must do. We have also removed the exemption in the Senate bill pertaining to the transactions where the credit charge is \$10 or less. These were two very important items that should not be exempted.

We cover in the House bill credit advertising; we cover credit life insurance, as part of the finance charge, which the Senate bill did not. We have a garnishment provision in the bill; we also have a Commission on Consumer Finance, that would last for two years, to oversee and report back to the Congress on any need, or how this legislation is working. And one of the most important things we have, too, is administrative enforcement, so that when someone finds that there's something wrong, they don't have to start suit themselves. They take it to the proper Federal agency right in their area and it's taken from there.

And then the last, is the anti-loan-shark provision that is in the House bill.

Mr. FANNING. Well, now, those are the things that the House bill has that the Senate bill does not. Does the Senate bill have any features that your bill does not?

Representative SULLIVAN. Yes. The Senate bill requires a percentage rate disclosure, but it leaves a lot of loopholes so that everyone who sells or lends—sells credit—does not have to reveal the same information. In the House bill, we have made it clear-across-the-board, so that everybody who sells an item

on credit or makes loans must express the very same kind of percentage rate and dollar amount information.

Mr. FANNING. Mr. Secretary, how does the administration regard these bills?

Mr. BARR. The administration has been fighting, as I think nearly everyone knows, for approximately eight years to get this legislation enacted. We finally are very close. We're going to have to resolve the differences between the House bill and the Senate bill. It's the position of the administration that the House bill is a much better bill, for the reasons Mrs. Sullivan has given you.

In the first place, the House bill does get to this whole question of advertising. You can hardly pick up a paper, or turn on your television, or turn on your radio, without being assaulted by all sorts of advertising to come and get credit. Unfortunately, a lot of this advertising—I'm not going to say it's misleading—but it's really confusing. The House bill should remove much of this confusion. That's why it has a great advantage over the Senate bill.

As Mrs. Sullivan says, too, the House bill goes across the whole board; it just doesn't take a certain type of lending or credit operation. It includes all types of credit operations. These are the two really significant advantages that I see between the House and Senate bills.

Wally, you know, I'd like to add just a little bit right here, as we start off, on the importance of this legislation.

Consumers in this country have outstanding right now roughly a hundred billion dollars in consumer debt. This is installment debt on cars, and refrigerators; it's debt to stores, it's debt to doctors and service people, and it's debt to banks.

Now, I'm not talking about mortgages, the mortgage credit we owe on our homes, and I'm not talking about what corporations owe or what the government owes. I am referring only to the debt we owe as a people. Now, of this hundred billion outstanding, over seventy-five billion is repaid each year, so you can see that this debt nearly rolls over every year. The seventy-five billion dollars is paid every year by the American people on installment plans. That figures out to one dollar out of every six of the disposable income we have. In other words, for the average American, one dollar out of every six he is earning is being used to pay this credit. So, when you're up in magnitudes of this sort, I think it's crucially important that the American consumer have the information he needs to make an installment decision as to what kind of credit he wants, what the terms are, what it's going to cost him, so he can shop between one seller, one lender and another, and get the best deals available. This is a lot of money, and I just don't think we can brush it off the rug. I think we must make it crystal clear to the consumer what he's getting into. That's the whole purpose of this legislation.

Mr. FANNING. Thank you, sir. Let's get to Mr. McNeill now for the Bankers Association.

Mr. McNEILL. Mr. Fanning, we in the American Bankers Association believe that after many years of consideration of this bill, that the bill that is now before the conferees of the Senate and the House, and as it is likely to be enacted, is one that is both workable and practicable. We see some problems in it, and the administrator, the agency of the government charged with formulating regulations, the Federal Reserve Board, is going to have some problems in being certain that their regulation and their rules are simple and understandable and readily usable by all types of lenders and extenders of credit. But we believe this can be done and if it is done in the manner that we anticipate, that the consumer will then be in a position to have a usable comparison of credit costs. This, of course, means that the consumer takes an interest in this comparison. Some people have

said that many borrowers, many consumers, are only interested in how many dollars they have to pay each month, and care very little about the percentage rate or the actual cost of credit over the period of a loan. If this is true, the legislation will not be meaningful to those people.

But for those consumers who want to have a basis of comparison, we believe that this legislation, as it is likely to come out of the conference, will be workable and give them the opportunity for a meaningful comparison.

Mr. FANNING. Well, Mr. McNeill, is it your estimate that the legislation will materially reduce the amount of credit buying and selling that there is or do you think rather it will just work toward eliminating abuses of the system?

Mr. McNEILL. Mr. Fanning, I doubt if there are abuses of the system. As Under Secretary Barr said, I think the manner in which consumer credit has developed has led to some misunderstandings. I think the legislation will lead to a clarification. I do not believe that this is going to lead to a marked reduction in the amount of consumer credit that is extended. I think it may lead to some reduction during a period of adjustment. For one thing, the consuming public is going to have to realize that the whole idea that six percent simple interest is the most that should be paid for credit is just not true in terms of small loans, in terms of consumer installment credit, which are most expensive to handle for the lender. Therefore, there is going to have to be a realization that rates, and the rate will be quoted under this bill, and it is not an interest charge, it is a percentage rate expressing the total finance charge; that this finance charge in small loans, in consumer lending, may very well turn out to be 9, 10, 11, 12 percent, and this is not at all unreasonable.

Mr. BARR. Could I comment on that one point?

I think there are some statistics that I have right here in front of me that would indicate this total of 100 billion is probably not going to shrink. I don't think this legislation will make much difference to the American people except they're going to be able to get better deals.

At the end of 1966, we as a nation owed each other about a trillion, five hundred billion dollars. Now, of this, Federal debt, state and local debts, corporate debts, run six hundred billion. Home mortgages run two hundred sixteen billion, etc. Excluding the \$100 billion of consumer debt, all this adds up to a trillion, four hundred and twenty billion, on which there is absolutely no confusion over interest rates. The simple annual interest rate is clear to all. And that total goes up year after year, so I think the full knowledge of what credit really costs is not going to depress the \$100 billion consumer debt either. I think we're just going to have a more intelligent American consumer shopping for the credit that he needs.

Representative SULLIVAN. Mr. Fanning, I want to agree with Secretary Barr, that I don't believe we're going to see any lessening of borrowing or lessening of buying on time. But I think that we will possibly stop some of the misuse of credit that's so prevalent today. And we have found during the hearing—

Mr. FANNING. I think I used the word "abuse."

Representative SULLIVAN. Well, it's abuse, but it's really misuse, because it isn't only the uneducated that can't figure what they're paying for credit; I know many intelligent people who are buying on credit today, and they say "How on earth do you ever arrive at the cost? We don't know."

But it is misused by the uneducated, because they are—they are given—what you would say, this—

Mr. FANNING. This come-on.

Representative SULLIVAN. Yes—this come-on, and they're oversold on many items that maybe they want, but sometimes they don't even want it. But it looks like such an easy thing, to sign your name and take the article home and use it, and so when do you pay for it, or can they really pay for this item that was so easy to buy on credit?

Mr. BARR. Lee, tell them the bankruptcy story. You had several hearings about bankruptcy.

Representative SULLIVAN. Well, the question is asked—you know, people say, "Well, why do you need this legislation? Is there a demand for it?" And there really hasn't been a demand by the people. But we who have studied this for the past eight years have seen things happen that are frightening, the way people misuse this very great thing that we have in this country, and that's credit.

We have found, as we looked into the court cases—we looked into the personal bankruptcy cases—that personal bankruptcies have gone from an average of 10,000 a year in the past ten to twelve years—they've gone up to 208,000 personal bankruptcies in the last fiscal year. Now, this shows that people are overbuying; they're buying beyond their means to pay. I don't think most of them buy with the intention "I don't intend to pay; I'll just get it and use it and let them repossess."

Mr. FANNING. May I ask you several questions in that area?

Number one, is there any possibility that there might be included in your legislation something that could help prevent the courts being used as collection agencies for the sharpies?

Representative SULLIVAN. This is what we hope it will lead to. This has to be done. I think, by the states, in great part. But the passage of Federal legislation, and Federal recognition of this problem, I think, will stimulate the states to do something about it. Because, as it is today, after a person takes personal bankruptcy, as they may be advised to do by some lawyer or someone, as they go out the court steps there are people waiting for them and telling them "We'll sign you up for more credit immediately," because these creditors know that the wages of these particular persons can be garnished, and they can't take personal bankruptcy for another seven years. So they're credit risks if they have the kind of a garnishment law under which the court can take all the man earns. But they'll sign him up immediately for more credit, immediately after he completes personal bankruptcy.

Mr. FANNING. Is there any way of knowing who these people are who are declaring bankruptcy? What group do they come from?

Representative SULLIVAN. They really come from all groups. But in the cases that I personally have studied in the court records in the District of Columbia, we have seen many of them—the poor, the uneducated—who have been oversold, who have gotten themselves into debt beyond their ability to pay. We have seen many cases, too, where credit was given to some person who has moved in from out of town, or from another state, and as we've searched back into his files after he took bankruptcy in the District, we've found there are amazing cases, and I can just cite one: where a man had come from Buffalo, New York, with \$8,000 in debts over his head, and immediately after he got into the District he started to buy from one of the big catalogue houses. The first thing he bought was a gun, a shotgun. The next thing he bought was a hi-fi, and then he bought a second-hand, two-year-old Cadillac convertible.

Well, as we got into it and looked through this case, we called in the gentleman who was representing one of the catalogue houses and said, "Tell me, how do you run a person's credit when they come in to you, brand new, to open an account?" "Oh, we give it a very,

very thorough study, and we have use of these credit bureaus that give us fast service, just like this." And he went on to explain a very elaborate system they have for running down a person's credit rating. So then I confronted him with the court record of this man who had just taken personal bankruptcy for another four or five thousand dollars, and I said, "Will you tell me how your company gave this man credit." As I said, the first thing he bought was a shotgun and the second thing he bought was a hi-fi. And he said, "I just don't understand it, Mrs. Sullivan; may I go back and look these up and come back?" And I said "I wish you would; I'd like to have that." Well, he came back with the facts, blushing, and said, "I'm sorry. The man had a job. The man was married. He had just moved into the District from another state. We thought he was a good risk, because he was married and had a job, so we gave him credit without going through all the preliminaries that we're supposed to go through." Now, this is bad.

Mr. FANNING. Mr. McNeill?

Mr. McNEILL. Mr. Fanning, I'd like to comment on one thing that Mrs. Sullivan said. I think that we have to be careful in this area of not asking the Federal government to do the whole job. The area of creditors' remedies, of interest rate limitations, of usury provisions, has traditionally been a matter of state law. We have many, many state laws that vary in all parts of the country. We felt originally that it would have been better if the states had done an adequate job in this disclosure area. They didn't do it, and Congress felt impelled to move, and we have a bill that, as I say, I think is workable. But I think we should be careful and not expect the Federal government to take over the job of correcting creditors' remedies, enacting a Federal usury statute and other provisions of this kind.

We're very hopeful that an effort now under way of the Commissioners on Uniform State Laws for a proposed Uniform Consumer Credit Code, greatly inspired and hastened by the work of Mrs. Sullivan and the Congress in the disclosure area, will result in a very great improvement in this general subject of creditors' remedies and lending practices.

Representative SULLIVAN. I'm glad that Mr. McNeill said that because some of the states have come up with some very good laws. One of our witnesses last August was from the State of Massachusetts, where they had passed a very excellent consumer credit law, and it was working beautifully. And it has not stymied the use of credit, but it's made them—made the people—a little more cognizant of what money costs, because I think we've got to impress upon the people that money is not cheap. If they want to use someone else's money to buy the things that they want now, but can't afford to pay for, then they're going to have to know what it will take to pay for it. It's not cheap; but they should know, and they should have a clear knowledge of what it costs to use your money to buy things that they want and can't pay for.

Mr. BARR. Wally, let me bring this together just a little bit. What does all this mean to the country? As a nation, one of our greatest strengths since the very earliest days of the Republic has been our willingness to go into debt, as a country, as a state, as individuals, and as businesses. This country literally has been in debt up to its ears from the earliest days of the Republic. I might mention that Alexander Hamilton had to borrow—as I remember, it was \$30,000 to pay George Washington his salary and the first salaries of the first Members of Congress. We've used debt intelligently to build a great nation. We've used it intelligently to build our educational system, to build most of the things we have in this country. The crucial thrust of this

legislation, as I see it, is that we do make available, to Americans as consumers and borrowers, all the information they need, to use credit intelligently. I've got a lot of faith in the American people; traditionally they've never gotten themselves too deeply into debt. Good times or bad times, if you give them the information, they have essentially very good sense, in the management of debt. The only thing we're doing with this legislation is giving them more information so that they can make better choices.

Mr. FANNING. Mr. Secretary is there any figure that can be cited that would serve as a limit or ceiling to which debt might go, the public debt?

Mr. BARR. No. People ask me this; I think they probably asked that of Alexander Hamilton. It really gets down to the good, hard sense of the American people, Wally. In this area of consumer credit, especially, the statistical studies that I have seen indicate that—in the majority of families—it's the mother who finally determines just how much debt the family can carry. Believe me, when they get to what she thinks is the limit, she cuts it off and cuts it off fast. Essentially, the American people have good sense, and that's it.

Mr. FANNING. This legislation that we're talking about, when and if it becomes law, and in what shape it becomes law, if it's along the present lines, do you think it's enforceable?

Mr. BARR. Yes. I don't see any real difficulty, especially in the House version. The Federal Reserve Board, which has had long experience in this area, will draft the necessary regulations; then the Federal agencies will administer the law in the particular segment of the economy that they regulate. I think it will not be difficult to enforce. As a matter of fact, these things are usually self-enforcing. When somebody thinks he's been cheated or he's had a crooked deal, he'll come in and complain. That's one way this will be enforced.

Representative SULLIVAN. And may I say, Mr. Fanning, that—getting back to the limitation on what might be charged—we have not attempted in either the Senate bill or the House bill to put a ceiling on what rate of interest may be charged; no one has attempted to do that. The only thing we've tried to do, as Mr. Barr said, is to give a measuring stick to the individual consumer so that if they don't like the credit terms that John Jones is giving them, they'll go over to Paul Brown and see what he can give them.

As long as they all have to express, and count in, all these additional finance charges and put it all under a nominal annual percentage rate for financing the item, this will give people an intelligent way to go and shop for the product, to shop for the credit as well as to shop for the merchandise.

Mr. FANNING. You didn't feel then—there wasn't a consensus, then, that there was any need to put a limit on it?

Representative SULLIVAN. Oh, we talked about it, but—

Mr. FANNING. Well, why did you discourage the idea? Can you tell me that?

Representative SULLIVAN. Why did we discourage it? We discouraged it because I don't believe we could put a hard-and-fast Federal usury law in effect. I think each state does have some sort of a usury law that they apply to their own area. But I just don't think it would be advisable to try to meet every possible contingency through a Federal ceiling. It was in the original bill, but we took it out at my suggestion. I put in a proposed limit of 18 per cent a year, because I really wanted to shock the people into letting them know that 18 percent was not an unusual amount that they paid for credit. Because everyone who has a revolving credit charge today, in any department store or in any catalog house, is paying at least one and a half per cent per

month, which is 18 per cent a year, and they don't realize it. This is why we fought so hard to include revolving credit on an annual rate basis, and I credit the American Banking Association for helping us in this. Because if we had let the retail group, the big stores, have the right to quote a monthly rate and everyone else had to quote an annual rate, there would be no basis for comparison. In the Senate bill they are allowed to do that—to use just a monthly rate. In the House bill, they must quote the annual rate on any loan or any item that is sold for credit.

Mr. McNEILL. We certainly agree that if this bill is to be effective, the basis of comparison has to be the same for all extenders of credit, banks, other lenders and retailers and others.

Mr. FANNING. Very briefly—we have less than half a minute—is there anything the public can do at this point? I judge it was not by popular demand that you went ahead with this legislation, because there doesn't seem to be any groundswell of public opinion, but can the public do anything?

Mr. BARR. They don't need to write the House, but I think there are other members of the Senate that should be told what the public feels about truth-in-lending.

Representative SULLIVAN. The people should write to their own Senators, not to any other House Member or Senator, but to their own Senators.

Mr. FANNING. Thank you very much for your discussion of "Truth-in-Lending: Its Promise and Importance."

Thanks to the Honorable Joseph W. Barr, the Under Secretary of the Treasury, the Honorable Leonor K. Sullivan, United States Representative from Missouri, Chairman of the House Subcommittee on Consumer Affairs, and to Mr. Charles R. McNeill, Director of the Washington Office of the American Bankers Association.

Join us next week on the Georgetown University Forum when we will discuss "New Towns, New Health Problems."

A Time for Action

HON. WILLIAM HENRY HARRISON
OF WYOMING

IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 10, 1968

Mr. HARRISON. Mr. Speaker, I ask to have printed an editorial from the April 6, 1968, Cheyenne, Wyo., State Tribune which deals with the violence in our cities.

In his brief and hard-hitting commentary, Editor James M. Flinchum asserts that the "massive outbreak of lawlessness that threatens to topple the structure of America, must be halted by any and every means available."

Says the Tribune in a statement with which I fully agree:

It must be done now, at once, without delay. What is happening today cannot go on.

The editorial follows:

A TIME FOR ACTION

America today is a land of violence. From the Arkansas city of Pine Bluff, population 60,000, to New York, Chicago and even to the nation's capital, this is the day of the arsonist and the looter.

It is not the first time our nation has been beset by violent upheaval. But it could be the last.

It is not the first time rioters have swept through the streets of Washington, nor even burned down buildings.

But it just might be the last.

The assassination of Dr. Martin Luther King provides no justification for this disorder. It is merely an excuse for an attack on our society.

The time has come in America to stop what is taking place in our cities today.

The time has arrived for a stern and fearless leadership that will say to one and all, whites and blacks, young and old, men and women: We must not and we will not tolerate any longer this violence and this lawlessness.

It will be put down with every means at our command.

The time has come to say: Each of you—Quiet down.

To those of you who do not, we shall deal with you in the harshest possible measures.

For months now we have heard the pleadings of the highest authorities in this land against "senseless violence."

There have been prayers and entreaties.

There has been consultation. Commissions have been appointed. Much money has been spent.

There has been shedding of tears and wringing of hands.

None of it has worked.

The time for wailing and praying; the time for pleas and parleys and spending of money is over.

This massive outbreak of lawlessness that threatens to topple the structure of America, must be halted by any and every means available.

Somewhere, somehow, someone must perform this task, now so long overdue. That it has not been carried out is evidence enough today that it should have been accomplished long ago.

It must be done now, at once, without delay. What is happening today cannot go on.

Teachers in Politics—Toward a Stronger Government

HON. CHARLES H. PERCY

OF ILLINOIS

IN THE SENATE OF THE UNITED STATES
Wednesday, April 10, 1968

Mr. PERCY. Mr. President, this past weekend, teachers across the country were involved in the observance of Teachers-in-Politics Week. A series of clinics were held to publicize the ways and means of informed and effective political participation. It is a commendable idea, and one which I regard as a fine contribution to the future strength of the country.

Thomas Jefferson once noted:

That government is the strongest of which every man feels himself a part.

To be a part of Government in this Nation is to take part—to join actively in choicemaking at all levels of local, State, and Federal activity; it is the foundation upon which our freedoms rest. Realizing this, responsible citizens have always supported and campaigned for their preferred candidates and issues.

Teachers, as a group, already have an admirable record of political involvement. Their participation in the November 1964 elections was almost universal; nine out of 10 teachers went to the polls as compared to seven out of 10 persons of voting age in the general population. Furthermore, many teachers are active in politics—seeking and holding office at every level of government—local, county, State, and National.