July 12, 1965

CONGRESSIONAL RECORD—SENATE

For that reason the minimum age required for a vessel, and there was no requirement for a finding that the trade-in ship is obsolete or inadequate for successful operation in the domestic or foreign trade of the United States. Upon expiration of the proviso on June 30, 1964, the original definition again became operative. Then again the proviso is not a problem, because all of the war-built ships were at least 17 years old on the date the proviso expired. The required finding, however, is made in the substitute or other actions which the Maritime Administration must take in connection with its replacement program.

Under the replacement program for subsidized operators, some of the war-built ships may be operated with the aid of operating-deferential subsidy until they are about 30 years of age. Section 605(b) of the act provides that operating-differential subsidy shall not be paid for the operation of vessels built before January 1, 1946, which are more than 20 years old (or for the operation of vessels built after that date which are more than 25 years old) unless the Secretary of Commerce certifies that such vessels should be replaced by new vessels.

Under the Vessel Exchange Act (section 510(i) of the Merchant Marine Act, 1936) which is applicable to trade-ins of the United States; and

(c) is owned by a citizen or citizens of the United States and has been owned by such citizen or citizens for at least 3 years immediately prior to the date of acquisition under the section.

This proviso was subsequently extended by subsequent acts of June 30, 1964, at which time the proviso was made applicable to vessels built before January 1, 1946, which are more than 20 years old. (a) is not less than 1,350 gross tons; (b) is not less that 17 years old and, in the judgment of the Secretary of Commerce, is obsolete or inadequate for successful operation in the domestic or foreign trade of the United States; and

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not yet been enacted, I think that it is appropriate to point out again that all reform measures which protect the public at large and which are opposed by powerful and well financed segments of industry require a number of years before they can be signed into law. I am delighted to say that there are substantial segments of the finance industry habitually oppose any legislation. For example, the Canadian Province of Nova Scotia has recently passed an act requiring the finance charge and simple interest to establish ethical standards and protect the honest and efficient competitor. It is ironic that all credit transactions. It is ironic that the consumer credit industry requires the finance charge expressed in terms of a true annual rate of interest. Most loans on homes have always been expressed in this manner as have interest rates on business transactions. Interest rates on savings accounts in commercial banks are expressed as true annual rates. So are short-term interest rates to businessmen to finance payrolls and the purchase of raw materials. It is only when we turn to the short-term consumer credit field, that we find a departure in the time-honored method of expressing the price of credit. Why should we permit the seller of credit to be less honest with the unwary public than he is with the experienced businessman? Why should not these lenders state the amount of interest they are charging in the form of an annual rate of interest or charge? Who could possibly object to such an elementary prerequisite of fair dealing?

Since that time the Banking and Currency Committee has held extensive public hearings on truth in lending. In the last Congress alone, we heard from 135 witnesses and the record of their testimony runs to more than 1,600 pages. We heard from bankers and bus drivers—operators—to observe that if the prevention of subterfuge is good enough for ancient Babylonia, it is good enough for us. It should also be pointed out that interest gouging has enjoyed an equally long, if not honorable, tradition in ancient Greece. Loan sharks in Athens were known to have charged interest at the rate of 48 percent a month, or 576 percent a year. And in the 15th century, Italian bankers charged the King of France 100 percent interest on a war loan while local merchants were borrowing at only 5 percent. Apparently, the King of France was not considered to be a good credit risk.

During most of the Middle Ages, however, the "just price" doctrine was followed in regard to the loaning of money. An interest rate of more than 6 percent was regarded as usury and this judgment was backed up by the medieval church, which maintained that usury was a disadvantage in dealing with sophisticated and worldly money lenders. The church, therefore, established and enforced the 6-percent "just price" doctrine to protect the public interest. Naturally, they would like to continue this unhappy state of affairs. But why should we continue to subsidize their subterfuge? Second, many who charge high, but not exorbitant, rates fear a loss of good will when their customers first realize the interest rate on their debt is not as low as all these years they have been fondly led to believe. In effect, these lending institutions are arguing that they should charge whatever they can get for their per quart at the retail level. Why should not we expect the lender or credit extenders to post his price in a similar fashion?

The price of credit has traditionally been expressed as a true annual rate on the unpaid balance. Most loans on homes have always been expressed in this manner as have interest rates on business transactions. Interest rates on savings accounts in commercial banks are expressed as true annual rates. So are short-term interest rates to businessmen to finance payrolls and the purchase of raw materials. It is only when we turn to the short-term consumer credit field, that we find a departure in the time-honored method of expressing the price of credit. Why should we permit the seller of credit to be less honest with the unwary public than he is with the experienced businessman? Why should not these lenders state the amount of interest they are charging in the form of an annual rate of interest or charge? Who could possibly object to such an elementary prerequisite of fair dealing?

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unrealistic to in the Middle Ages, and it would be of in the Middle Ages, and it would be
Nevertheless, the reverent attitude ac-
vives.
Mr. President, anyone who argues that we need not be concerned about interest rates should review the statistics on consumer credit. At the present time, long-term consumer debt, primarily in the form of home mortgages, amounted to $196 billion while short- and intermediate-term consumer debt is 4 trillion, or a total of $275 billion. This is almost the size of the entire national debt.

What is even more startling is the dramatic rise in consumer debt in the last 20 years. Long-term consumer debt has increased 1,247 percent during that time; short- and intermediate-term consumer debt has increased 1,247 percent, while the national debt has increased by only 18 percent. I sometimes wonder what would happen if we ever actually adopted some of the simple plebes so ardently advanced by many of my conservative colleagues. We often hear, for example, that Government finance is no different from family finance and that the Government should manage its money like the typical American family. Considering the national debt today, if the Government had increased its debt at the same rate the American consumer increased his, it would be nearly $3 trillion.

Perhaps the most striking figure of all, however, is the interest paid on consumer debt. The interest payments on long-term consumer debt are conservatively estimated at $10 billion a year, while short- and intermediate-term debts account for at least another $10 billion a year. Thus, the American consumer, with a total debt just under the national debt, is paying at least $20 billion a year in interest, or nearly double the annual interest charge on the national debt. I personally believe that the total is considerably more than this, but I am trying to err on the conservative side.

Thus, by any standard, consumer credit has become big business. In the short- and intermediate-term field alone, most of which excludes installment debt, the American consumer is paying at least $10 billion a year in interest and, in my judgment, actually more. This is more than all the sales of the entire natural gas industry. Anything we can do to increase the competition in the growing field of credit, in which there is almost no price competition, can save the American people millions or even billions of dollars a year.

Mr. President, I ask unanimous consent that several tables on the history of consumer, corporate, and Federal debt be introduced, the Record at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

IV. THE GROWTH OF CONSUMER CREDIT

Mr. President, Mr. President, Independent studies as well as the hearings of the Banking and Currency Subcommittee reveal that most consumers do not know what rate of interest they are being charged on an installment purchase. Indeed, the buyer is not told at the time of the sale what the interest rate will be on this purchase. It is left to the buyer to purchase the product at the interest rate he is willing to pay.

Nevertheless, after the interest charged is deducted from the price of the product, the average borrower is caught in a wonderful riddle. He is offered a $100 loan for a full year, but pays back $123.88. He receives $94. The financial charge again is 12 percent, or twice the quoted rate because the borrower is periodically paying the loan.

Fourth, a simple monthly rate: This rate is usually quoted by small loan companies and by retailers using revolving credit plans. The finance rate is represented as being 1, 2, 3, or 4 percent per month. The true annual rate in this case is 12 times the quoted figure, or 12, 24, 36, or 48 percent per year. Thus, if the interest is based upon the unpaid balance at the end of each month, if it is based upon the original amount of the loan, the simple annual rate is approximately 24 times the quoted figure, or in the illustrations cited 24, 48, 72, or 96 percent per year.

Fifth, "loading the camel": Sometimes lenders compound the camouflage of credit by loading on all sorts of extraneous fees, such as exorbitant fees for credit life insurance and excessive credit insurance imposed by small loan companies and by retail- credit, but also impose enormous financial hardships on the debtor, particularly those who can least afford it.

There are several widely used methods by which this confusion is created and perpetuated by lenders and credit ex-
tenders.

First, often no rate at all is quoted to the consumer: This is the simplest and most direct method of obscuring the cost of credit. The borrower is, for example, merely told that he will pay $10 down and $10 a month. Neither the total finance charge nor the interest rate is evident. And unless the bor-
rower is a persistent questioner and skill-
ful mathematician, he will not discover the true facts.

Second, the add-on rate: The borrower is told that the finance charge will be $6 on a 1-year, $100 loan, repayable in equal monthly installments. The lend-
er represents this to be a 6-percent loan, but such a claim is merely a play on the number six. The actual rate is almost 12 percent, or nearly double the stated rate, because the borrower is constantly repaying the loan over the year and does not have the use of $100 for a full year. His average debt over the year is only about $50. In other words, the interest rate is quoted on the original amount of the debt and not on the declining or unpaid balance as is the custom in busi-
ness credit, government loans, or mort-
gage transactions. In reality the bor-
rower is asked to pay interest on amounts he has already repaid.

Third, the discount rate: This is a variation of the add-on rate. In the case of the add-on, the borrower receives $100 in cash or goods and must pay back $106. In the case of the discount technique, the consumer "borrows" $100 but only re-
ceives $94. The finance charge again is 6% and is often represented, as being 6-percent interest. Again, the actual rate is almost 12 percent, or twice the quoted rate because the borrower is periodically repaying the loan.

VI. CREDIT ABUSES

The inevitable and tragic outcome of this policy of deception was made abundantly clear during the hearings before the Banking and Currency Subcommittee in the last session of Congress. A few examples will suffice to illustrate the point:

A man in Jersey City bought a TV set for $123.88. He was given a coupon book...
which called for 3 monthly payments of $175. We were shocked when we computed the interest rate. It was 60 percent per year. What is even more tragic, he had to keep up the payments or lose his job.

A housewife on the lower East Side of Manhattan purchased a couch from a door-to-door salesman for $300. The payments were set at $12 every 2 weeks for 2 years. The total interest charge was thus $324 and the annual rate was 107 percent, although not a word of this was mentioned at the time of the sale.

Joan Donderi, a senior in Indiana, borrowed $1,000 from a small loan company. He was told the interest rate was 4.5 percent. The actual rate turned out to be 29.5 percent, or more than six and a half times the claimed rate. Had the borrower known this at the start, he said he would have dealt with a lower cost lender.

Another New York witness bought a television set on credit for 30 months. We figured out the interest rate on this transaction, and it turned out to be 145 percent. We asked the witness whether she would have signed the contract if she had known the interest rate. The witness replied, "Never in my life."

Testimony before the committee also revealed that Negroes and Puerto Ricans in New York were systematically and automatically charged a higher rate of interest, regardless of their individual credit standing.

VI. FLIMFLAMMING THE EDUCATED

But it is not only the poor, the uneducated, or the members of a minority group who are victimized by the hidden cost of credit. The educated middle classes are also being duped.

Last year the distinguished senior Senator from Indiana performed a public service by publishing a table in the Congressional Record which revealed the true rates of annual interest charged for college education loans. While Federal loans are available for 3 percent and various State loan plans run from 3 to 6 percent, I was shocked to learn that some of the private loans which are offered to students and parents by our leading colleges and universities involved an interest rate as high as 60 percent per year. Invariably, the lending institutions with the highest rates establish subsidiaries with high sounding names such as the Tuition Plan, Inc., or Education Funds, Inc. The latter is a subsidiary of the Household Finance Corporation, which has systematically bilked our American servicemen. According to the hearings, this company specializes in auto loans and masquerades under an official sounding name as though it were a Government agency. It has charged interest rates as high as 100 percent over a 2-year period. The firm also adds an excessive charge for insurance which frequently amounts to the full cost of a run down by a defunct company. All too often, those victimized are low-paid enlisted men who can ill afford such a drain upon their meager budgets.

IX. OBJECTIONS TO THE BILL

Now Mr. President, what are some of the technical objections that have been raised against this bill?

First of all, it has been charged that an interest rate is too difficult to compute. It is said that it would impose an intolerable burden upon the poor salesmen who would have to make complicated computations for each sale. I think the most effective answer to this charge was given by former Under Secretary of Commerce Edward Gudeman, who had years of experience in retailing with Sears, Roebuck. In answer to this point, Mr. Gudeman said:

"We must realize that consumer credit extenders begin by setting all their charges individually and in total on an annual rate basis. This means that the businessman in Seattle or St. Louis can convert from an annual rate determined in light of his own financing costs and the behavior of his competitors. This being so it is difficult to see why the average businessman cannot easily state the annual rate implicit in his total rate charges.

In addition, there are several pocket size slide rules that are simple to operate. These devices can rapidly compute the true annual rate of interest on any installment purchase and I am exhibiting today for the benefit of the members of this committee a slide rule which reveals the true rates of interest."

It is issued by the Credit Union Supply Cooperative.

Second, it is charged that dealers will bury the finance charge by hiking the cost of the merchandise if they are required to state the true rate of interest. This is a preposterous and obvious unsound tactic. The dealer who attempts to do this will soon price his goods out of the market. His more ethical competitors would advertise and offer a lower price for merchandise and they would get the business.

The present system works in just the opposite way—it gives the edge to the unethical. Such operators have been known to advertise ridiculously low prices while recouping their losses in the hidden finance charges. In effect, they give it away in the big print and take it back in the fine print. The truth in lending bill would make it difficult to continue this racket.

Third, it is claimed that most consumers do not care about interest rates. This line of defense is contrary to the statements of many witnesses who related their sad experiences before our committee. Many of these people said they never would have agreed to a particular transaction if they had known the interest rate was as high as it was. I think the notion that consumers do
not care about interest rates is probably due to the confusing manner in which credit is dispensed. The average person usually gives up when confronted with the problem of computing a rate of interest from the meager information supplied by a fast talker. In such a case, he accepts instead, his bland assurance that the rate is the lowest in town.

However, if every retailer and lender were required to compute and state the rate of interest in a uniform manner, the consumer would soon become accoated to the mysteries of credit and would be able to hold his own.

Fourth, it is claimed that a disclosure of true interest rates will retard sales. No real evidence has been presented to support this view. I feel it is more logical to assume the opposite. Consumers will shift their borrowing from high-cost to low-cost lenders, and thus add purchasing power at their disposal with which to buy more than they otherwise could. The bill should also stimulate a greater interest in credit salesmanship on the part of those who have been fearful of its mysteries.

Fifth, it has been argued that the bill would not work in the case of revolving charge accounts because the length of time the money is borrowed cannot be known in advance. I have carefully listened to the arguments on this point, and I have amended the bill to take these objections into account. This objection now is somewhat difficult to understand since most revolving charge accounts state a monthly rate of 1 or 1 1/2 percent. This bill does require that such monthly rate be multiplied by 12 to indicate the true annual rate of 12 or 18 percent.

X. REASONS FOR THE BILL

There are at least five reasons why the truth in lending bill ought to be enacted.

First, it protects consumer rights: The American consumer is entitled to know the true cost of credit and charges—to be informed about credit costs so that he can exercise his right to make intelligent choices among various credit plans.

President Johnson aptly summed it up in his 1964 consumer message in which he endorsed the truth in lending bill. The President said:

The cost of such credit must be made as clear and unambiguous as possible, eliminating all possibility of abuse. The antiquated legal device of the "poster beware" should be superseded by the doctrine, "let the seller make full disclosure."

And I would further argue that we cannot fully win the war on poverty unless we also put a stop to the activities of those who prey upon the poor and profit from their unfortunate circumstances. We must also win the war against the loan shark and the fast-buck artist. We must provide the poor and uneducated with some defense against the smooth-talking salesmen who often have little familiarity with the hazards of exorbitant rates of interest. I believe the truth-in-lending bill will tip the scale of justice a little way back toward the consumer. It will give all consumers, and especially the poor, a better chance in today's complex marketplace.

Second, protecting businessmen: In addition to protecting consumers, the truth-in-lending bill will protect the ethical lender from losing business to his shoddy competition. In a world so complicated as credit, it is perhaps inevitable that a few sharp operators will try to steal a march on their honest colleagues by making exaggerated and misleading claims with respect to credit. Some will seek to get away with it.

However, if we require every lender to compute and state the true rate of interest in a uniform manner, we will break the endless chain of misleading claims and shabby deceptions. A lender can confidently and freely state the true interest on his loan, secure from the fear that a higher cost competitor will lure his customers away with phony statistics.

Third, invigorating competition: Every businessman pays lip service to competition but when we get down to actual cases, it often turns out that competition is desirable only for the other fellow. Nevertheless, from the standpoint of the public interest, it is generally sound policy to insist upon vigorous price competition within a given industry. Unfortunately, this is not the case in the credit industry. Since the cost is usually hidden or misstated, those who provide credit do not really compete in terms of price. Rather, high-pressure salesmanship, advertising gimmicks or other unethical practices become decisive. Such a system permits many inefficient, high-cost lending institutions to survive and flourish.

If consumers had an effective yardstick with which to measure the cost of credit, we would restore price competition within the credit industry. High-cost firms would have to become more efficient to stay in business. High-profit firms would have to be satisfied with reasonable profits. And in the end, all consumers would benefit in the form of cheaper credit.

Fourth, stabilizing the economy: The cost of credit that is the interest rate, functions as a built-in economic stabilizer. When inflation or overexpansion threatens a rise in the rate of interest can discourage investment and force the economy back upon an even keel. Conversely, when recession or underinvestment becomes a threat, a lowering of interest rates can encourage investment and help checked spagettes. This mechanism does function in the business world since business loans disclose the true rate of interest and business men can therefore react to changes in interest rates. However, the mechanism breaks down in the field of consumer credit where the actual rates are generally obscured. As a result, a rise in the interest rate on consumer installment purchases will not curb an excessive level of demand because most consumers would not even know for how long the rate is being raised. By the same token, a lowering of the rate will have little effect in stimulating consumer willingness to buy on credit when recession threatens.

The truth-in-lending bill will correct this situation by disclosing the interest rate on consumer debt. Changes in the rate could then have their proper effect of stimulating or discouraging purchases and thus helping to stabilize the economy.

Fifth, encouraging economic growth: No one can accurately measure the extent of economic waste when consumers pay too much for credit because they are unaware of what it really costs or are unable to shop around for lower credit prices. However, to the extent that with full information about the cost of credit, consumers will use it more efficiently, it will contribute to the growth of the economy. This point has been fully recognized by experts in the field of economics.

For instance, the Federal Reserve Bank of Philadelphia in the April 1960 issue of its Business Review pointed out that a real burden for the economy "occurs because consumers often buy on time in an uninformed way without knowing the cost of the money being borrowed. When they do this, they not only hurt themselves, but they reduce the efficiency with which the economy provides goods and services in accordance with consumer taste."

In short, Federal Reserve officials believe that the economic growth of the Nation is jeopardized when consumers are misled about the price of credit.

XI. CONCLUSION

Basically, the question is whether we want truth to prevail in the marketplace. Men often fear truth, but ultimately it is beneficial and healing. It rewards the truthful, and deters the careless and less ethical. In the end it benefits all but the determined and conscious wrongdoers.

My bill gives to everyone the chance to conform to the standards which the vast majority know in their hearts to be right.

"Truth, like sunlight, is a powerful disinfectant. This is bright light, a shining light, that dispels the darkness from dark places and, by that very fact, help to clear up many of the abuses that plague the credit industry.

Our last two Presidents have given their strong endorsements to the truth-in-lending bill. President Kennedy, in his 1962 consumer message, said:

"Excessive and untimely use of credit arising out of ignorance of its true cost is harmful both to the stability of the economy and to the welfare of the public. Legislation should therefore be enacted requiring lenders and vendors to disclose to borrowers in advance the actual amounts and rates which they will be paying for credit."

And President Johnson, in his 1964 consumer message to the Congress stated:

"I recommend enactment of legislation requiring all lenders and extenders of credit to disclose to borrowers in advance the actual amount of their commitment and the annual rate of interest which is to be paid."

And so, Mr. President, let us keep our commitment to the American consumer and pass a law which will give him an even break in today's complex marketplace—let us reaffirm our faith in the
have encouraged other Members of the Senate to cosponsor the measure. I wish to express my deep gratitude to all Members of the Senate who have supported this legislation in the past.

However, this year I have not circulated this truth-in-lending bill. I have encouraged other Members of the Senate to cosponsor the measure. I wish to express my deep gratitude to all Members of the Senate who have supported this legislation in the past.

Of course, I appreciate the interest of all of those Members of the Senate who feel that this legislation is desirable and in the national interest and I will be glad to welcome their support. However, I did wish to make clear to the friends of this legislation outside the Congress the reasons why I have not distributed this bill to other Members to invite cosponsorship.

Mr. President, I request that the text of the bill be printed in the Record. The PRESIDENTIAL OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the Record.

The bill (S. 2275) to assist in the promotion of economic stabilization by requiring the disclosure of finance charges in connection with extensions of credit, was received, read twice by its title, referred to the Committee on Banking and Currency, and printed in the Record, as follows:

S. 2275

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Truth in Lending Act."
consistent with the provisions of this Act or regulations issued thereunder.

(b) The Board shall by regulation except from the requirements of this Act any credit transactions or class of transactions which it determines are effectively regulated under the laws of any State so as to require the disclosure by the creditor of the same information as is required under section 4 of this Act.

CIVIL AND CRIMINAL PENALTIES

Sec. 7. (a) Civil penalties: Any creditor who in connection with any credit transaction fails to disclose to any person any information in violation of this Act or any regulation issued thereunder shall be liable to such person in the amount of $100, or in an amount equal to twice the total finance charge required by such creditor in connection with such transaction, whichever is greater, except that such liability shall not exceed $2,000 on any credit transaction. Action to recover such penalty may be brought by such person within one year from the date of the occurrence of the violation, in any court of competent jurisdiction. In any such action, no person shall be entitled to recover such penalty solely as the result of the erroneous computation of any percentage required by section 4(a)(7), 4(b)(1), or 4(b)(2)(P) of this Act to be disclosed to such person, if the percentage disclosed to such person pursuant to this Act was in fact greater than the percentage required by such section, or by the regulations prescribed by the Board, to be disclosed. In any action under this subsection in which any person is entitled to a recovery, the creditor shall be liable for reasonable attorneys’ fees and court costs determined by the court. As used in this subsection, the term “court of competent jurisdiction” means either any Federal court of competent jurisdiction regardless of the amount in controversy or any State court of competent jurisdiction.

(b) Criminal penalties: Any person who willfully violates any provision of this Act or any regulation issued thereunder shall be fined not more than $5,000 or imprisoned not more than one year, or both.

(c) Except as specified in subsection (a) of this section, nothing contained in this Act or any regulation thereunder shall affect the validity or enforceability of any contract or transaction.

(4) No punishment or penalty provided by this Act shall apply to the United States, or any agency thereof, or to any State, any political subdivision thereof, or any agency of any State or political subdivision.

EXCEPTIONS

Sec. 8. The provisions of this Act shall not apply to—

(1) credit transactions involving extensions of credit or business firms, governments, or governmental agencies or instrumentalities; or

(2) transactions in securities or commodities in accounts by a broker-dealer registered with the Securities and Exchange Commission.

EFFECTIVE DATE

Sec. 9. The provisions of this Act shall take effect upon the expiration of one hundred and eighty days after the date of its enactment; except that section 5 shall take effect immediately.

EXHIBIT No. 1

Short- and intermediate-term consumer credit outstanding, 1945-64

(Millions of dollars)

<table>
<thead>
<tr>
<th>End of year or month</th>
<th>Installment credit</th>
<th>Noninstallment credit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Auto. goods paper 1</td>
</tr>
<tr>
<td>1945</td>
<td>5,665</td>
<td>2,463</td>
</tr>
<tr>
<td>1946</td>
<td>5,795</td>
<td>2,576</td>
</tr>
<tr>
<td>1947</td>
<td>5,706</td>
<td>2,534</td>
</tr>
<tr>
<td>1948</td>
<td>5,744</td>
<td>2,590</td>
</tr>
<tr>
<td>1949</td>
<td>6,203</td>
<td>2,761</td>
</tr>
<tr>
<td>1950</td>
<td>6,087</td>
<td>2,672</td>
</tr>
<tr>
<td>1951</td>
<td>6,323</td>
<td>2,762</td>
</tr>
<tr>
<td>1952</td>
<td>6,088</td>
<td>2,672</td>
</tr>
<tr>
<td>1953</td>
<td>6,329</td>
<td>2,762</td>
</tr>
<tr>
<td>1954</td>
<td>6,087</td>
<td>2,672</td>
</tr>
<tr>
<td>1955</td>
<td>6,323</td>
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<tr>
<td>1956</td>
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<td>1957</td>
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<tr>
<td>1960</td>
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<tr>
<td>1961</td>
<td>6,329</td>
<td>2,762</td>
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<tr>
<td>1962</td>
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<td>2,672</td>
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<tr>
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<td>6,088</td>
<td>2,672</td>
</tr>
<tr>
<td>1965</td>
<td>6,329</td>
<td>2,762</td>
</tr>
</tbody>
</table>

1 Includes all consumer credit extended for the purpose of purchasing automobiles and other consumer goods.
2 Includes only such loans held by financial institutions; those held by retail outlets are included in "other consumer goods paper.
3 Single-payment loans and service credit.
4 Preliminary; December by Council of Economic Advisers.

Mortgage debt outstanding, by type of property and of financing, 1939-64

(Millions of dollars)

<table>
<thead>
<tr>
<th>End of year or quarter</th>
<th>1- to 4-family houses, nonfarm properties, Government</th>
<th>End of year or quarter</th>
<th>1- to 4-family houses, nonfarm properties, Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>End of year or quarter</td>
<td>Government written</td>
<td>Nonfarm properties, Government written</td>
<td>End of year or quarter</td>
</tr>
<tr>
<td>1939</td>
<td>16.3</td>
<td>1955</td>
<td>163.5</td>
</tr>
<tr>
<td>1940</td>
<td>17.4</td>
<td>1956</td>
<td>166.6</td>
</tr>
<tr>
<td>1941</td>
<td>17.4</td>
<td>1957</td>
<td>168.7</td>
</tr>
<tr>
<td>1942</td>
<td>18.3</td>
<td>1958</td>
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</tr>
<tr>
<td>1943</td>
<td>17.6</td>
<td>1959</td>
<td>173.6</td>
</tr>
<tr>
<td>1944</td>
<td>18.6</td>
<td>1960</td>
<td>176.5</td>
</tr>
<tr>
<td>1945</td>
<td>20.0</td>
<td>1961</td>
<td>179.2</td>
</tr>
<tr>
<td>1946</td>
<td>21.5</td>
<td>1962</td>
<td>181.9</td>
</tr>
<tr>
<td>1947</td>
<td>23.4</td>
<td>1963</td>
<td>184.2</td>
</tr>
<tr>
<td>1948</td>
<td>25.7</td>
<td>1964</td>
<td>186.5</td>
</tr>
<tr>
<td>1949</td>
<td>28.2</td>
<td>1965</td>
<td>188.9</td>
</tr>
<tr>
<td>1950</td>
<td>30.6</td>
<td>1966</td>
<td>191.3</td>
</tr>
<tr>
<td>1951</td>
<td>33.7</td>
<td>1967</td>
<td>193.7</td>
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<tr>
<td>1952</td>
<td>37.6</td>
<td>1968</td>
<td>196.1</td>
</tr>
<tr>
<td>1953</td>
<td>41.7</td>
<td>1969</td>
<td>198.5</td>
</tr>
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1 Preliminary.

Source: Board of Governors of the Federal Reserve System, estimated and compiled from data supplied by various Government and private organizations.
### Table B-54.—Net public and private debt, 1945-68 1

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Federal Government and agency</th>
<th>Total State and local government</th>
<th>Total Corporate</th>
<th>Total Farm 1</th>
<th>Total Commercial and financial 1</th>
<th>Total Consumer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1946</td>
<td>406.3</td>
<td>233.7</td>
<td>13.7</td>
<td>130.9</td>
<td>85.3</td>
<td>54.6</td>
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<tr>
<td>1947</td>
<td>397.4</td>
<td>229.7</td>
<td>13.6</td>
<td>154.1</td>
<td>68.3</td>
<td>76.6</td>
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<tr>
<td>1948</td>
<td>407.8</td>
<td>233.7</td>
<td>14.4</td>
<td>178.7</td>
<td>80.4</td>
<td>53.8</td>
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<td>1949</td>
<td>413.6</td>
<td>218.5</td>
<td>16.2</td>
<td>200.9</td>
<td>91.7</td>
<td>83.1</td>
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<tr>
<td>1950</td>
<td>448.4</td>
<td>218.6</td>
<td>18.6</td>
<td>211.6</td>
<td>105.2</td>
<td>120.6</td>
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<tr>
<td>1951</td>
<td>490.3</td>
<td>218.7</td>
<td>20.3</td>
<td>270.9</td>
<td>142.1</td>
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<td>514.0</td>
<td>218.4</td>
<td>22.3</td>
<td>292.2</td>
<td>162.5</td>
<td>195.2</td>
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<td>1953</td>
<td>535.7</td>
<td>224.4</td>
<td>25.8</td>
<td>306.5</td>
<td>171.1</td>
<td>132.7</td>
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<td>586.5</td>
<td>228.1</td>
<td>28.6</td>
<td>326.8</td>
<td>195.3</td>
<td>169.3</td>
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<td>612.0</td>
<td>230.7</td>
<td>33.4</td>
<td>348.4</td>
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<td>672.3</td>
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<td>38.4</td>
<td>402.8</td>
<td>232.1</td>
<td>176.2</td>
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<td>707.5</td>
<td>235.4</td>
<td>47.7</td>
<td>439.6</td>
<td>281.1</td>
<td>209.7</td>
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<tr>
<td>1958</td>
<td>729.9</td>
<td>244.1</td>
<td>59.6</td>
<td>467.6</td>
<td>321.7</td>
<td>222.3</td>
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<td>1959</td>
<td>792.6</td>
<td>239.8</td>
<td>70.9</td>
<td>464.9</td>
<td>326.3</td>
<td>270.5</td>
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<tr>
<td>1960</td>
<td>849.7</td>
<td>252.7</td>
<td>92.6</td>
<td>574.1</td>
<td>364.3</td>
<td>311.5</td>
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<td>1961</td>
<td>890.2</td>
<td>241.0</td>
<td>60.0</td>
<td>589.2</td>
<td>302.5</td>
<td>284.1</td>
</tr>
<tr>
<td>1962</td>
<td>946.4</td>
<td>248.1</td>
<td>65.0</td>
<td>633.5</td>
<td>325.3</td>
<td>315.5</td>
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<tr>
<td>1963</td>
<td>1,018.7</td>
<td>255.9</td>
<td>73.7</td>
<td>695.0</td>
<td>364.1</td>
<td>372.0</td>
</tr>
<tr>
<td>1964 2</td>
<td>1,085.5</td>
<td>261.2</td>
<td>76.6</td>
<td>726.8</td>
<td>374.6</td>
<td>378.2</td>
</tr>
<tr>
<td>1965 3</td>
<td>1,163.6</td>
<td>267.0</td>
<td>88.7</td>
<td>810.9</td>
<td>395.3</td>
<td>413.6</td>
</tr>
</tbody>
</table>

1 Preliminary estimates by Council of Economic Advisers.

Note.—Revisions for 1929-39 and 1955-57 in the consumer credit data of the Board of Governors of the Federal Reserve System have not yet been fully incorporated into this series.

Sources: Department of Commerce (Office of Business Economics), Treasury, Board of Governors of the Federal Reserve System, and Federal Home Loan Bank Board (except as noted).

**VELJKO STANISIC AND VESELIN VUCINIC**

Mr. MORSE. Mr. President, I introduce, for approproiate reference, two private bills, and I ask unanimous consent that they be printed at this point in the Record.

The PRESIDING OFFICER. The bills will be received and appropriately referred; and, without objection, they will be printed in the Record.

The bills, introduced by Mr. Morse, were received, read twice by their titles, referred to the Committee on the Judiciary, and ordered to be printed in the Record, as follows:

S. 2276

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of the Immigration and Nationality Act, Veljko Stanisic shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee.

Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

Mr. MORSE. Mr. President, the first bill is for the relief of Veljko Stanisic; the second is for the relief of Veselin Vucinic.

The bills seek to come to the relief of two Yugoslavs, each of whom has close relatives in my State; each of whom jumped ship in Portland, Oreg.; each of whom is completely out of sympathy with the form of communism in Yugoslavia; and each of whom lives in the fear that if the immigration authorities are followed, they will be returned to Yugoslavia, to their great physical detriment.

These are hard cases. I have asked for a detailed report on each of them, which I shall supply to the committee after the bills have been referred.

I am satisfied that a strong prima facie case exists for giving these men asylum in the United States. When we think of the asylum that is given to others, including some having diplomatic status, we ought also to consider the humanitarian interests that are involved in the common people who, nevertheless, seek to flee from the type of persecution they are headed for if they are returned to Yugoslavia.

**STUDY OF HEALTH RESEARCH**

Mr. ROBERTSON. Mr. President, I send to the desk, for appropriate reference a resolution to establish an Advisory Commission on Health Research Activities, and ask unanimous consent to have printed in the Record a brief statement concerning the purposes and scope of this investigating Commission.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred; and, without objection, the statement will be printed in the Record.

The joint resolution (S.J. Res. 96) to establish an Advisory Commission on Health Research Activities, introduced by Mr. Robertson, was received, read twice by its title, and referred to the Committee on Government Operations.

The statement presented by Mr. Robertson is as follows:

The passage of the Medicare bill makes it more imperative than ever that the Federal Government get the best results possible from the money it is spending on medical research.

My attention was first drawn to the need for such a resolution by recent Senate hearings on the Independent Offices Appropriations bill, at which a group of doctors urged additional funds for the Veterans' Administration, both for the hospital treatment of ex-servicemen and for research.

Since that time it has become apparent that the so-called Medicare plan, which is bound to create a need for more hospital space for the public generally, will become law soon. When it takes effect on July 1, 1966, more than 19 million persons 65 and over will be eligible for the basic benefit of up to 60 days in a hospital, with the patient paying a deductible amount of $40.

To the extent that laboratory research improves the general health of the community, it will help in the years ahead to hold down this growing patient load on the hospitals. Therefore, I believe it is timely that we have a high-level commission to examine the entire range of health research activities of the Government with a view to determining: (1) whether there has occurred an unnecessary proliferation of such