The bill requires that the consumer be informed of the total cost of the credit and the annual rate of interest on the unpaid balance. With this basic information he will be able to fairly determine the cost of purchase or loan within his financial means and what the true costs are.

I urge my colleagues to consider and support the truth-in-lending bill. This vitally needed measure will provide protection not only for average buyers but also for the ethical businessman, and in fact is essential for a stable economy.

The Nation is presently working to build the Great Society. Our efforts have been directed toward caring for the elderly, assuring the legal rights of every citizen, and increasing educational and economic opportunities. But it is also time now to consider the needs and rights of every citizen, young and old, rich and poor, black and white, in his role as a consumer. Our economic system depends upon the consumer's right to know and to choose. Yet these rights are often denied to the purchaser of credit.

In hearings before the Senate Banking and Currency Subcommittee on the truth-in-lending bill, Dr. Theodore Yntek, and Mr. Robert S. Conyers, chairman of the Ford Motor Co., stated:

'The variety and complexity of finance and insurance arrangements and the charges for them are such as almost defy comprehension. It is impossible for the average buyer to appraise the rates for the finance and insurance services offered, as compared with alternatives available elsewhere.'
ments. Two years later when she thought the bill was paid, she learned that her bank account had been levied upon and that her payments had gone primarily to pay interest charges. The major part of the principal was still due. In this case the bank account was levied upon. In other instances when the consumer is unable to pay for unexpected items and a breach occurs he becomes the object of garnishment proceedings, which may cause him to lose his job. Thus, the poor consumer, who already suffers because of his low income, becomes more deeply embittered by poverty.

The Poor Pay More
It is quite true the poor pay more because they are, more often than the average consumer, the victims of fraud, poor service, and low quality. As Dr. Caplovitz, of Columbia University, discovered in his study of low-income consumers, unscrupulous merchants take advantage of the poor’s urgent necessity to buy, their low credit ratings, and their lack of sophistication and knowledge.

One example of exploitation which the Caplovitz study reported was revealed in the testimony of a Negro couple in Harlem. A high-pressure peddler sold them a bedspread, drapes, and five dresser scarves for $28. The couple did not sign anything, and the salesman left the articles when the payment was made. In 2 weeks a man came by with a coupon book and told them payments were $1 a week. Some weeks a collector would come by and collect $3, other weeks he would not come. If he came when the couple had no money, he threatened them with a lawsuit. Finally he came with a marshal and demanded $32, which he explained was the cost of the Marshal’s services and a lawsuit. When they could not pay this sum, they fought back, and a two-wheel bicycle was taken.

Negro Americans Are Among the Most Victimized
Negro Americans are among the hardest hit by such practices. According to Dr. Caplovitz, Negroes know that the unscrupulous merchants thrive, in what he calls the “commercial jungle,” and nowhere are poor people more victimized by their surroundings than in the Negro ghettos across the country.

As President Johnson said in his speech in June at Howard University:

Negroes are trapped—as many whites are—trapped—inherited, gateless poverty. Negro poverty is not white poverty. Many of its causes are specific to this economic group. But there are differences * * * the heritage of centuries to overcome. * * * a cultural tradition which has been twisted and battered by endless years of hatred and hopelessness. * * * (discrimination) because of race or color. One of the differences is the insistence of Negroes in the ghettos that these cities, Most of them live together, a separate people. It is a world of decay ringed by an invisible wall (where) escape is arduous and uncertain.

In these isolated areas of poverty, the Caplovitz study found that markups of 100 to 300 percent above wholesale prices are frequent. Prices vary according to the merchant’s analysis of his customer’s maximum ability to pay.

Unscrupulous credit practices are also a cause of embittered race relations because the merchant in the Negro ghetto is so often a white man.

In our war on poverty we have been concerned with the individual’s ability to earn. We must now concern ourselves with his ability to buy in a fair market. We cannot win the war on poverty if in-creased incomes only provide new opportunities for unethical credit and retailing practices.

PROTECTION FOR THE ETHICAL BUSINESSMAN

The commercial jungle affects more than the personal lives of the people who live within it. It affects the Nation as a whole. If long as the consumer is kept uninformed, there cannot be a free and open system of competition among sellers. Honest creditors, who wish to disclose the facts about credit costs, are at a disadvantage since their competitors refuse to do so. The problem becomes even more serious when one realizes the importance of credit to our economy.

Credit is used today to finance the purchase of nearly all durable goods in America, in addition to such services as education. Senator Douglas in a radio program with me several days ago made clear the enormous financial stakes involved. He reported that in this country, “there is a total of $78 billion of consumer credit which is outstanding,” and added that “in general the interest rates are excessive, and they are unknown.” Mr. Speaker, I submit that the size of the consumer debt alone requires that credit unions have accurate knowledge of credit costs if we are not to risk economic instability.

HOW THE BILL WOULD WORK

The truth-in-lending bill would insure that persons buying credit receive full information about finance charges in writing before the credit transaction takes place. It requires that he be informed of, first, the total cost of credit in dollars and cents; second, the true annual rate of interest on the unpaid balance.

The bill designates the Board of Governors of the Federal Reserve System to prescribe the rules under which credit costs are to be disclosed. They will decide the methods to be used in determining the simple annual rate of interest. The bill further stipulates that the required information about credit costs be printed on the contract in bold type to make sure that the facts are prominent enough to be overlooked by the borrower. The bill further provides, with the regulations of the act are liable in a court action against him by the borrower.

I feel, however, that the Federal Government also should be given a direct role. It is necessary that when the Banking and Currency Committee hold hearings on this bill, they will investigate the feasibility of assigning an enforcement role to the Federal Trade Commission and also authorize informing the Federal Trade Commission in its enforcement role of the truth-in-lending bill. I hope too that efforts to protect the consumer will not be confined to this bill alone.

The House and Senate Banking and Currency Committees in both the House and Senate will schedule early hearings on the truth-in-lending bill. I hope too that efforts to protect the consumer will not be confined to this bill alone.

The Congress is considering the need to introduce an advertising legislation to protect the consumer for advertising which misrepresents the quality and price of goods and services. There is need for the truth-in-packaging bill and legislation to establish an independent Organization to carry out and supervise the truth-in-packaging bill, which is in the interest of the present and work for the consumer’s interest.

I intend to introduce such legislation in the next few weeks. In sponsoring
these bills I am particularly proud to be associated with Senator Paul Douglas of Illinois, and Senator Pan Hark of my own State of Michigan who have for so long been the champions of the consumer.

Let us begin the task of providing protection for the consumer. His importance to our economy and to our Nation must be recognized and his rights and needs as an individual must be met.

I urge my colleagues to support the truth-in-lending bill and to join in the overall effort to protect the American consumer.

THE MAGNIFICENT FLIGHT OF GEMINI

Mr. BOLAND. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the House's consideration of the amendment and to include the objection of the gentleman from Massachusetts.

There was no objection.

Mr. BOLAND. Mr. Speaker, Congressman Teague and Congressman D'Amato and I joined officials of NASA in the Mission Control Center on August 5 to thrill to the performance of Gemini astronauts and courageous pilots Gordon Cooper and Charles Conrad. All the world can be proud of this stupendous achievement.

The mission was a complete success. It was not a failure, but a complete success in almost every respect. It clearly showed that the Nation's effort in space is second to none.

Mr. Speaker, I know the Congress shares my sentiments in congratulating Astronauts Cooper and Conrad for their splendid work and our own private contractors who pulled this great achievement together to give the United States one of its greatest accomplishments in scientific endeavor.

The successfully completed flight of Astronauts Gordon Cooper and Charles Conrad in their Gemini 5 spacecraft marks a great stride forward for America.

We now know beyond reasonable doubt that the human system can adapt itself to extended periods of time in space. The 8 days of the Gemini 5 voyage took approximately the same time that will be required, later in this decade, for our first Apollo mission to land on the moon. We have briefly explored our moon and have returned safely to earth. Our space planners can move forward even more confidently, now that Cooper and Conrad have been pronounced "ampley fit" by space surgeons.

In addition, these two brave and highly competent astronauts, and the thousands of members of the team which supported them during the historic flight, have achieved a number of highly significant firsts.

The United States has now moved well into the lead for duration of a single space flight mission: 190 hours and 56 minutes, far surpassing the former record of 119 hours and 5 minutes established by Lt. Col. Valery F. Bykovsky of the Soviet Union in Jan. 1969.

At the same time we took over the record for total man-hours in space: 639 hours and 48 minutes versus 507 hours and 16 minutes for the Soviet; and most revolutions for a manned space flight—120 for the United States versus 81 for the U.S.S.R.

On a somewhat lighter note, I think we have had the first do-it-yourself repair job in space, for Gordon Cooper exhibited to the American people the know how for which they have long been noted by taking a shorted instrument apart, fixing it, and reassembling it during the flight.

Perhaps most important of all, however, is the disciplined skill with which these two men performed their many tasks in spite of a number of difficulties and malfunctions that originally threatened to cut short the mission. For human beings continue to be our most valuable and versatile instruments.

While the flight has given us valuable new scientific knowledge, it has also disclosed technological shortcomings that we must strive to rectify and overcome in succeeding flights. Once again, before the eyes of all the world, we have demonstrated the qualities of human ingenuity, human daring, human endurance, and human teamwork that have made our country great.

And now that the flight is safely over, let us join with our President in the hope that our astronauts can continue to communicate America's message on earth as well as in the skies.

PROPOSED CLOSING OF AIR FORCE RESERVE TROOP CARRIER GROUPS

Mr. GRIDER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. GRIDER. Mr. Speaker, on Friday, August 13, I was advised of the plans of the Air Force to close down the 919th and 920th Troop Carrier Groups of the Air Force Reserve which are stationed in Memphis. The basic reason given for this decision was that the C-123 aircraft for these groups utilize "are required in the Active Forces.

I immediately raised questions about the validity of this decision, particularly the phasing out of 1,300 well-trained men because there is a shortage of aircraft.

The distinguished chairman of the House Committee on International Affairs, the gentleman from South Carolina [Mr. Rivera], has asked the Secretary of the Air Force for an explanation of this. I have had several private conversations with Air Force officers and men in both the House and Senate. It is my concern, particularly as a former Senator, when the Congress itself will be in adjournment and when many Members will be geographically separated by long distances.

PROPOSED JOINT COMMITTEE ON INTERNATIONAL AFFAIRS

Mr. EDWARDS of Alabama. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. EDWARDS of Alabama. Mr. Speaker, I am introducing today a Constitutional amendment to provide that the two Houses of Congress establish a Joint Committee on International Affairs.

The committee would serve from the last day of the first session of the 89th Congress until the first day of the 2nd session in no way would it infringe upon the rights and responsibilities of any existing committees or other arms of Government.

The committee's function would have two aspects, both key to its character: the periodic review of foreign policy and the special duties of the two Houses when the Congress itself will be in adjournment and when many Members will be geographically separated by long distance.