

If the bill manages to pass, it will be despite the food industry, whose formidably coordinated national lobby has thrown dust in the public's eye, while keeping the bill corralled in Senate committees. The opposition consists of the Grocery Manufacturers Association, the Chamber of Commerce of the United States and the National Association of Manufacturers, linked by trade press and national, regional and State conferences. Most formidable is the GMA, which links more than 100 national food-processing trade associations, supported by allied industries that sell in supermarkets and, of course, the advertising industry. Supermarket News described their lobby thus: "Grocery manufacturers descended on Washington last week and in a VIP turnout before the Senate Commerce Committee blasted the truth in packaging bill in a concerted bid to kill the administration-backed legislation." They lobbied individual Senators. They lobbied in the trade press, sniping at Senator HART, Mrs. Peterson, and later, the NCFM. They also managed to kill, or postpone, some State truth in packaging bills, e.g., in California.

The latest move is a report designed to help the NCFM get an accurate picture of the food industry. To finance it, the GMA dipped into its own kitty and also passed the hat around the advertising agencies and media, applying a little pressure to keep the contributions flowing. James Patton, president of the National Farmers Union, has condemned the whole episode as shocking and deplorable, and filed a complaint with the Department of Justice.

Two massive campaigns aimed at the public in 1964 and 1965, dinned home the message that "food is a bargain." The industry spends a billion dollars a year to advertise its product, and for this it also expects some editorial cooperation. The GMA president suggested to the publishers that the day was here when their editorial departments and business departments might better understand their interdependency relationships as they contributed to the operating results of their company, and as their operations may affect the advertisers—their bread and butter. First result of this worthy but unmistakable warning was a Look magazine article (January 26, 1965), that was almost blatant propaganda for the food industry. Follow-up comment by Senator HART never saw the light of day; neither did several TV appearances for which he was scheduled, nor an article by William D. Zabel, supporting the bill, and due to be reprinted in Reader's Digest.

Against these efforts, the consumer lobby is puny. Lacking time, money and organization, it has made little or no attempt to coordinate the efforts of local consumer councils with national organizations like Consumers Union, National Consumers League, Cooperative League of the U.S.A., AFL-CIO, and the American Home Economics Association. If the bill manages to pass, it will not be mainly due to consumers' efforts. The encouraging thing is that the administration appears to be behind the bill—a point that was made by Mrs. Peterson last November to the Association of California Consumers, and confirmed by Vice President HUBERT HUMPHREY at a consumer conference in New York last December.

Also pending in Congress is a truth-in-lending bill. Since this would if anything be even more unpopular with the business community, truth in packaging may pass after all.

qualified military personnel stationed in Hawaii.

The legislation was sponsored by a Democratic State administration led by Gov. John A. Burns.

In signing the bill, Governor Burns encouraged military personnel in Hawaii to take advantage of their newly acquired privileges and to participate fully in all our community and civic affairs.

Military personnel and dependents who desire to vote must meet a 1-year residency requirement and must declare Hawaii as their legal residence.

CONSUMER ASSEMBLY, 1966

Mr. DOUGLAS. Mr. President, representatives of 32 national organizations with nearly 50 million members will gather at the Washington Hilton Hotel in Washington April 25 to 27 for Consumer Assembly 1966. This will be the first nationwide meeting of organizations working for the interest of the U.S. consumer.

The sponsors of Consumer Assembly have honored me with an invitation to discuss my truth-in-lending bill, S. 2275. I welcome this opportunity to discuss the cost of consumer borrowing and our greatly inflated consumer debt.

Short- and intermediate-term consumer debt is now over \$85 billion and mortgage debt on nonfarm family housing is now at \$213 billion, for a total of \$298 billion. This is close to the size of the entire national debt of \$323 billion.

Part of my concern over our consumer debt arises from the fact that the men and women who owe it pay, at minimum, a whopping \$22 billion a year in debt service and finance charges. That is double the annual debt service on the entire national debt. With interests costs rising, it is likely to increase. On only the \$85 billion of short- and intermediate-term consumer debt, consumers pay \$11 billion in finance charges.

While some express great worry over the national debt if the fighting continues in Vietnam, we also should be concerned and do something about our consumer debt. We can help keep it within safe bounds by alerting the American people to the often exorbitant cost of consumer credit.

The truth-in-lending bill I have sponsored would require lenders and merchants extending credit through charge accounts to notify the borrowers in plain language, before a loan contract is signed or a sale is completed, of the finance charges they must pay and what this amounts to expressed as an annual rate on the outstanding unpaid balance.

This would seem a reasonable thing to expect but powerful opposition has prevented passage of truth-in-lending legislation since its inception.

The need for truth-in-lending legislation has been documented at congressional hearings over many years. These hearings show that borrowers and buyers are often ignorant of the true cost of credit.

For example, a family charges \$700 worth of purchases at a store. The seller may tell the family there is a small service charge without specifying the charge.

Without knowing it, the family may have to pay 18 to 36 percent a year in finance charges on this type of credit.

The hearings which the Production and Stabilization Subcommittee conducted at leading cities in 1963-64 showed the widespread misunderstanding of the cost of buying on time.

For instance, a Manhattan housewife bought a couch for \$300 from a house-to-house salesman. She agreed to pay \$12 every 2 weeks for 2 years. Believe it or not, her total finance charge was \$324 or \$24 more than the cost of the couch. The finance charge rate, amounting to 107 percent, was of course never mentioned when the couch was sold.

A Jersey City man testified he bought a TV set for \$123.88. The seller gave him a coupon book calling for 24 payments at \$17.50 a month. This amounted to an annual rate of 229 percent. The buyer testified he had to keep up his payments under threat of losing his job.

In another case, a busdriver told of borrowing \$1,000 from a loan company. The interest rate would be 4½ percent, he was informed—the true interest rate was 29½ percent. Had he known what the true interest rate would be, this witness said he would have sought better terms from another lender.

Truth-in-lending legislation would leave no doubt about the annual rate being charged in any of these instances. It would give consumers the truth about the cost of borrowing and so would permit them to shop for the best credit buy. In a period of high interest rates, it would permit them to make a rational decision to, perhaps, defer a purchase.

A great deal is heard these days about inflation and how it will affect the national debt. I am concerned, and my friends who worry about the national debt ought to be concerned, too, about our inflated consumer debt.

President Johnson has endorsed the principles of truth in lending, and I am grateful for his support. It shows that the President is concerned, as I am, about both our national debt and our consumer debt.

Consumer Assembly 1966 should result in greater understanding of the dangers of deception and insufficient disclosure of information to consumers. I look forward to the conference and I congratulate its sponsors.

A CRISIS IN AMERICAN MERCHANT SHIPPING AND AMERICAN MERCHANT SHIPBUILDING

Mr. MAGNUSON. Mr. President, the thoughts, hopes, and fears held by many responsible maritime leaders regarding our aging merchant marine were given voice in New York City recently by a shipbuilding executive who would like more progress in this field.

Daniel D. Strohmeier, vice president, Bethlehem Steel Corp., made several significant points while addressing the 196th anniversary dinner of the Marine Society of the City of New York.

I ask unanimous consent that Mr. Strohmeier's speech be printed in the Record.

THE VOTING PRIVILEGE OF MILITARY PERSONNEL IN HAWAII

Mr. INOUE. Mr. President, I am happy to be able to report to you and my colleagues that the State of Hawaii has now accorded full voting rights to