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contribute to their future deserve the thanks of all of us. I ask unanimous consent to have printed in the RECORD the text of the proclamation of the city of Kenai which Mayor Dye issued on July 26.

CITY OF KENAI—PROCLAMATION

Whereas Jeannine Lyerly has demonstrated a dedication beyond the ordinary call of duty to her position as an itinerant public health nurse by her involvement in civil activities in Kenai and all surrounding communities; and

Whereas the Project Head Start at Kenai would not be in existence except for the diligent preparations and supervision so generously donated by Jeannine Lyerly.

Therefore, by the authority vested in me as mayor of Kenai, I proclaim:

1. That Wednesday, July 28, 1965, shall be Jeannine Lyerly Day in Kenai, Alaska.

2. That this proclamation is a formal "thank you" of the community of Kenai for the civic action and dedicated efforts of Jeannine Lyerly as the motivating spirit behind the educational "Project Head Start."

3. That Jeannine Lyerly exemplifies the best in governmental service and established a standard of service deserving respect and imitation by all employees of the State of Alaska.

4. That involvement of Jeannine Lyerly in the civic life of the Kenai Peninsula has extended to service as a director of the Kenai Chamber of Commerce, as an active participant in Kenai Peninsula Concert Association and other civic organizations essential to the true vitality and life of a community.

5. That this expression of gratitude be distributed to Gov. William A. Egan of the State of Alaska and all interested persons and agencies.

Kenai, Alaska, 26th day of July 1965.

JAMES G. DYE,

Mayor.

Attest:

FRANCES TORKILSEN,

City Clerk.

**CONSUMER CREDIT EDUCATION
AND CONSUMER DEBT COUNSELING**

Mr. MONDALE. Mr. President, I was most happy to note the amendment in section 205(a), of the Economic Opportunity Amendments of 1965, which provides authority for the Director to pay all or part of the costs of consumer education programs under community action projects, specially focused on the needs of low-income families. It specifically provides for "consumer credit education," and "consumer debt counseling," and gives concrete recognition to a problem in which I have long been interested.

This amendment will allow the Poverty Director to furnish education and counseling especially designed and geared to the needs of low-income families, in recognition of the fact that many of these families have subaverage educational achievements, and reading and comprehension levels around third and fourth grade level. For there is a special class of consumer among the low-income families and the poorly educated, whose particular needs require a specialized approach. A study was made recently of the buying practices of over 450 families living in low-rent public housing by Dr. David Caplovitz of Columbia University, in which Dr. Caplovitz found that the urban poor are confronted with a merchandising system

quite unlike that which serves most Americans.

In addition, the panel on consumer education for persons with limited incomes, organized to advise the President's Committee on Consumer Interests, reported just this year that the poor pay more for comparable merchandise than people in middle-income areas, and that the poor are targets for not only devious merchandising practices, but also lack the basic knowledge and information to help them get the most for their money. For example, the poor could be taught to buy wherever possible for cash—and not on credit—that they would extend their shopping horizons, and compare the prices of merchandise and credit terms, that they would be educated on what to look for in making purchases—such as how to distinguish between new and used items, current and obsolete merchandise, and that which is solidly constructed as against that which is poorly built.

They could be advised on where to seek additional information on purchasing and merchandising from community agencies; such as the local legal aid society, the State attorneys general, the chambers of commerce, the better business bureaus, and the various agencies of the Federal Government.

Consumer education can play a very important part in overall poverty programs, and it should be included as an integral part of overall projects directed at the poor. Under past law, the Office of Economic Opportunity has been authorized to make consumer education eligible for funds under community action programs, and the director has urged communities throughout the Nation to take advantage of this opportunity. The people helped by the poverty program buy food, clothing, shelter, automobiles, appliances, and most of the other goods and services that our economy offers. If we can give them the awareness and sophistication that other consumers possess, it will supplement their incomes by making their hard-earned and difficult dollars stretch just a little bit further. It will prevent whatever increased earnings they may receive from being eroded by poor buying habits.

As former attorney general of the State of Minnesota, I know that there are a number of devious and sophisticated merchandising and sales practices that all too often deceive not only the low-income buyer, but also the intelligent and sophisticated middle and upper income purchaser. For example, the files of my consumer protection unit in the State of Minnesota, were filled with cases involving bait-switch advertising, referral selling practices, pyramid practices, misrepresentation of price and contract terms, and the use of fictitious selling prices. Many of these people are able to withstand the loss of tens or even hundreds of dollars. But the low-income families, earning less than \$3,000, need every cent for rent, clothing, and food. They can ill afford the opportunity to learn in the school of hard knocks and a sad experience.

Mr. President, I ask unanimous consent that the report from Mrs. Peterson,

Special Assistant to the President for Consumer Affairs, as well as an article from the August 13 New York Times be reprinted at this point.

There being no objection, the report and articles were ordered to be printed in the RECORD, as follows:

PANEL ON CONSUMER EDUCATION FOR LOW-INCOME PERSONS REPORT TO MRS. PETERSON

The poor pay more for comparable merchandise than people in middle income areas, a Panel on Consumer Educations for Persons with Limited Incomes reported today.

The panel, appointed last year to advise the President's Committee on Consumer Interests on consumer education for the poor, included representatives from business, labor, community organizations, and government at all levels. In its report, it emphasized that it received no documentation to support the charge that businessmen and merchants deliberately charge more in low-income neighborhoods than they do in middle-income areas for the same or even inferior merchandise.

"No doubt there are some instances where such a situation occurs," the report states, but there is no documentation to indicate that this is a widespread practice on the part of business concerns." Nevertheless, the panel reports that stores which operate in poor neighborhoods only often charge their customers more and seldom have "one price" for high-cost items. The panel took special notice of a study of the buying practices of 464 families living in low-rent public housing made by David Caplovitz of Columbia University, in which he finds that the urban poor are victims of a merchandising system quite unlike the system that serves most Americans.

In his book, "The Poor Pay More," Caplovitz points out that in every city, some fringe operators profit by the special problems of the poor—their inability to obtain credit from conventional sources, their lack of knowledge and sophistication, and their eagerness to buy. Comparing the poorest families with those somewhat better off, Caplovitz points out that the poorest pay most for such commodities as TV sets, phonographs, and washing machines. This does not mean that they are buying better products, he says, it means they are paying more for what they buy.

In releasing the report, Mrs. Peterson praised the panel for shedding light on a relatively neglected subject. She emphasized the important part consumer education can play in overall poverty programs, and supported the panel's view that consumer education for the poor should be included as an integral part of overall projects directed toward the poor. She noted that the Office of Economic Opportunity has included consumer education as eligible for funds under the community action program, and urged that communities throughout the Nation take advantage of this opportunity.

"The massive efforts to sell the products and services of our economy," Mrs. Peterson said, "affect the poor as well as the affluent. In addition, the poor are often the objects of offbeat marketing techniques in their neighborhoods. Door-to-door peddlers, marginal retail operators, and loan dispensers extend credit—at high interest rates—to those who can't afford to get credit 'uptown.' The poor are often the targets of 'bait and switch' merchandising and other devious schemes. Lack of knowledge and information often leads them to accept poor quality merchandise at high prices."

Mrs. Peterson said that President Johnson, in his message on consumer interests on February 5, 1964, directed the President's Committee on Consumer Interests "to develop as promptly as possible effective ways

and means of reaching more homes and families—particularly low-income families—with information to help them get the most for their money."

"The work of the panel," Mrs. Peterson said, "should be considered a beginning, not by any means the last word on this challenging and difficult subject. It is our hope that the panel's report will stimulate further efforts in this field. Consumer education for the poor will be one of the high priority programs carried on by the President's Committee during the coming year."

Consumer education can help the poor get the most for what little money they have to spend, the report says. "Its object should be to subtract from poverty. On another level, it can help people understand the available choices, to balance preference against price and utility, and match quality against realistic expenditure. * * * The goal of consumer education is to achieve higher standards of living through more discriminating consumption."

The panel warns that consumer education should not be considered a panacea for poverty. "Consumer education cannot cure poverty," the report states, "it can only ease the pain."

Among the report's recommendations are the following:

Federal, State and local governments undertake factfinding studies to identify the problems encountered by the poor in the marketplace.

Communities and appropriate civic, professional, and service organizations include consumer education as an integral part of programs designed to deal with the problems of poverty.

Consumer education be included as a component part of Federal programs directed at the poor, especially elementary and secondary education, adult literacy, Job Corps, public housing, and public assistance.

Grants be made available by the Office of Economic Opportunity for the training of teachers in consumer education.

Demonstration grant by the Office of Economic Opportunity to a university or other nonprofitmaking organization, for the development of a clearinghouse for low-income consumer education materials and techniques.

The stimulation of research by public and private groups to develop more and better education materials and techniques for low-income families.

The strengthening of existing government information and protection programs specifically to deal with the problems of fraud and deception encountered by poor consumers.

Mrs. Peterson stressed that the poor comprise a significant and sizable market. She said that there are approximately 34 million individuals living in poverty in the United States. These people buy food, clothing, shelter, automobiles, appliances, and most of the other goods and services of our economy. "If consumer education is related to adult education, health and welfare programs, and other services," she said, "it will supplement the higher incomes these programs may bring about. It can also help prevent higher earnings from being eroded by poor buying habits, and help low incomes go a little further."

[From the New York Times, Aug. 12, 1965]
U.S. AGENCY PLANS TO INTENSIFY CONSUMER EDUCATION FOR POOR

WASHINGTON, August 12.—The Office of Economic Opportunity said today it was ready to finance a second front in the war on poverty.

Improving the earning power of the poor is not enough, according to Theodore Berry, the agency's Assistant Director for Community Action.

A second front, he said, would show the poor how to avoid hidden exploitation when they spend their meager earnings.

"Borrowing to buy coal and paying twice for it in interest is an example that can be multiplied a million times," Mr. Berry said, recalling his experiences as a lawyer for straitened consumers in Cincinnati.

His office has financed 17 consumer education projects at a cost of \$893,000, compared with total antipoverty outlays of \$113 million.

"We haven't begun to scratch the surface in this field," he said.

President Kennedy and President Johnson have voiced concern about consumer problems, but this is the first time that significant sums have been made available for consumer education.

Mr. Berry opened a 2-day consumer action conference sponsored by the Office of Economic Opportunity and the President's Committee on Consumer Interests.

Dr. Sanford Kravitz, chief of research and development for the Antipoverty Community Action Division, and Mrs. Esther Peterson, special assistant to the President for consumer affairs, are conducting the conference, which is attended by officials of community action programs, Government regulatory agencies, and consumer groups.

Dr. David Caplovitz of Columbia University, who wrote the book, "The Poor Pay More," said the marketplace for the poor is a commercial jungle in which exploitation and fraud are the norm rather than the exception."

Dr. Caplovitz described many of the gimmicks used by door-to-door salesmen and junk furniture stores to beguile the unsuspecting into signing contracts to pay twice as much money as they thought.

A store on East Harlem's furniture row, he said, offered three rooms of furniture for only \$149 or only \$199.

Investigation showed that these consisted of two flimsy bureaus and one bed frame, a fragile-looking sofa, and an unmatching chair. The spring and mattress were extra.

The unwary consumer, he said, ends up buying a \$400 set for \$600.

"Given their vulnerability to easy credit and the excessive burden of debt foisted upon by high-pressure salesmen," Dr. Caplovitz added, "it is not surprising that many of the poor find themselves overextended and unable to keep up the payments on their purchases. We found that one in every five families had experienced legal pressures because of missed payments."

ARMY CAPTAIN'S LETTER SUMMARIZES NEED FOR COLD WAR GI BILL

Mr. YARBOROUGH. Mr. President, recently I received a letter from an Army captain stationed in Hawaii, which told the story of the educational disadvantages of our men in uniform with words of great human feeling and understanding. Illustrating his arguments with the statistics of the men in his company, this captain presents a strong case for the cold war GI bill, as well as concern for the future of the men who serve under him. The men in service need this bill. The 5 million cold war veterans represent only about 40 percent of the draft eligible men during the cold war or draft period, but the percentage of unemployed among the cold war veterans is double the percentage on the same age nonveteran group.

To illustrate the convincing evidence presented by the Army captain, I ask unanimous consent that the letter be printed in the RECORD.

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

HON. RALPH YARBOROUGH,
U.S. Senate,
Senate Office Building,
Washington, D.C.

DEAR SIR: I am writing to thank you for your sponsorship of the cold war GI bill. There is a definite need for a measure such as this. Your predecessors saw the need for this legislation in World War II and during the Korean conflict. The need for such a measure is even greater now.

I am a 1962 graduate of the U.S. Military Academy, having received my appointment from the then Senator Johnson. I am presently a company commander in the 25th Infantry Division in Hawaii.

There is certainly no disagreement that there is an increasing need for more education in today's technical society. Even a high school education is barely sufficient for the average worker. So many of the draftees and volunteers in my company have not completed their high school education for one reason or another. In my company, out of 150 men, 20 did not reach the ninth grade. An additional 20 did not complete high school. Another 10 men did not complete high school, but have received a diploma equivalent to a high school education from the U.S. Armed Forces Institute. This means that 50 out of 150 men have not completed a normal resident high school program. I feel that these statistics are valid on a wider level.

As you know, the Army is failing to retain between 75 and 80 percent of its first term volunteers and draftees. The administration and the Department of Defense seem to object to this bill because the bill would make it more difficult to retain personnel. To me, this line of reasoning belongs in the same category of illogic as that of paying a man only \$78 per month because he is obligated to the service and cannot get out, or paying an officer \$240 per month for the same reason.

In a statement to the House Armed Services Committee on June 16, 1965, Gen. Harold K. Johnson, in commenting on the failure of the Army to attract more than 82 of 5,500 Reserve officers invited to return to active duty said, in part, "It could also indicate that the Army needs to do a better job of describing the advantages of a military career, or it could mean that opportunities are inadequate in the Army. We simply do not know the answer." Certainly no one knows the complete answer. However, the Armed Forces needs to develop a more competitive attitude in attracting quality personnel. What better attraction; what better selling point would the Armed Forces have for attracting good people than the prospect of aiding their further education? This asset would far outweigh any adverse affect from loss of personnel.

As to this latter point, the threat of the loss of personnel due to the enactment of this bill—men make up their minds to stay in or get out of the service for far more fundamental reasons than this. The Armed Forces must begin to think positively about how to attract quality personnel and how to motivate them toward a career in the service. Positive steps must be taken. The service must be made attractive. The young man facing his service obligation should not look upon it as an unpleasant drudgery. It should appear as an opportunity to him. Failing to pass legislation similar to this prohibits the formation of that image which the service so desperately needs.

I do not believe that a limitation of service in combat areas should be placed on receipt of benefits under this bill. Every man in the service has the prospect of immediate deployment in a combat zone. Thousands