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should not permit the Secretary of Defense to Realign the National Guard.

Sincerely,

J. W. JORDAN.

### COOPERATIVE LEAGUE TESTIMONY ON TRUTH IN LENDING

Mr. MONDALE. Mr. President, last week, Mr. Shelby Southard made a significant statement to the Senate Banking Subcommittee holding hearings on the truth-in-lending legislation.

The position taken by the cooperative movement is significant because of its broad national basis, and I believe it should be brought to the attention of the Congress. I ask unanimous consent that his remarks be printed in the RECORD at this point.

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

STATEMENT OF SHELBY EDWARD SOUTHARD, OF THE COOPERATIVE LEAGUE OF THE USA, TO SENATE BANKING COMMITTEE, SUBCOMMITTEE ON FINANCIAL INSTITUTIONS, REGARDING SENATE BILL S. 5, THE TRUTH-IN-LENDING ACT, WEDNESDAY, APRIL 19, 1967

Mr. Chairman, the Cooperative League of the USA thanks your Committee for giving us the opportunity to share with you our views on the legislation before you, the Truth in Lending Bill (S. 5).

The League, which is a national federation of all types of customer-owned businesses with members in all 50 states, was one of the pioneer groups to urge upon Congress the wisdom of a bill such as this, which has as its central purpose to make the typical consumer more alive to what his use of credit is costing him. Wise credit use is often the touchstone of business success and in the management of our personal financial affairs as well.

This is especially true of cooperative business. It is so whether it be in the field of housing, insurance, rural electric, the grocery business, farm supply and marketing, prepaid group health plans, or credit unions. We can speak with considerable assurance on this point because League member organizations are active in every one of those fields, so that our activities extend now to over 18 million families in this country.

It is through the credit unions that we are most vividly conscious of the need to make people aware of what credit is costing them when they borrow money or buy on the installment plan. The dramatic growth in the number of credit unions and their lengthening membership rolls are solid evidence that, as people do discover how important this is, they do something about it.

Senator Proxmire's bill differs only slightly from the earlier bill on this subject introduced several times by former Senator Paul Douglas. We supported and worked for the Douglas bill and we have compared carefully the provisions of his bill with the one proposed by Senator Proxmire. To be effective the bill must require that the cost of credit be expressed as an annual percentage, including in that rate the "incidentals" for fees, credit reports, and the like, which have a way of mounting alarmingly without the customer's noticing it. Also at the crux of the matter is the requirement that all forms of consumer credit including small loans, installment purchases, revolving credit, and home mortgages be covered.

We are pleased that the Proxmire bill includes all these points. They are the important ones. Unless we have such a law, there can be no assurance that consumers have those elementary facts they need to make wise decisions when they buy. No one

argues when the car buyer wants to look at the motor, the tires, the upholstery, the air conditioning. These are components by which the manufacturer competes for the buyer's favor. But another component, frequently more important than any of these, is the cost of credit. There is no logical reason the buyer should not also know precisely what the credit component is going to cost—and not buried beneath a suffocating blanket of detail which has as its purpose, not to inform, but to cover up its real cost.

During the earlier rounds of this now six-year old debate, the opponents made some headway by raising a series of questions beginning "What if—?" These iffy questions all had to do with how difficult such a law would be to enforce, and its friends could only say then that it is a simple thing to print up rate tables covering every conceivable variation of interest charges. (In fact, the Treasury Department and Department of Defense have recently done so—so simple any clerk can use them.) But the answer to such iffy questions now is that the State of Massachusetts has had such a law for a considerable period of time and the experience up there has answered them in the most effective way possible. None of these hypothetical fears have proved to have a basis in fact. This is the verdict of those who have a role in administering the law, and indeed some of its former critics have been fair and said their earlier fears before the law was passed were unjustified. That is your answer, Mr. Chairman. If these fears were real, the trouble would have surfaced by now, and you can bet we would be hearing about it.

Having followed closely the long debate excited by this legislation, we are confident in our prediction that many reputable but misguided business witnesses who have opposed it will find upon its enactment that they have been freed from competition by segments of their business which exist in its shadows and on its fringes, making bad medicine for everybody.

It is the familiar history of earlier consumer protection laws—first strenuous resistance based on fears of alleged government interference. But in practice the law will interfere only with those people who bring discredit on their business by preying on the uninformed, the gullible, and ones least able to protect themselves. Firms which extend credit on a level of integrity and reasonable concern for their customers will be able to do so without harassment from the "quick buck" operators who give them unfair competition and who have demeaned for too long an honorable sector of our economy.

In closing we urge the Committee to review again the essential points which comprise a meaningful Truth in Lending law and make sure those provisions are in the bill which you report to the Senate floor for action. You can take little satisfaction, and the people of this country will derive little good, from a law which bears a persuasive title but lacks the elements to make it truly descriptive of what the bill contains. Make sure that in the changes and amendments you consider you do not violate the spirit of another bill Congress passed last year called Fair Packaging and Labeling. The label on S. 5 now reads "Truth in Lending." Be certain that "Truth in Lending" describes your final product accurately. You owe this much to a long line of persons in and out of public life who have worked selflessly through three Administrations to insure passage of a bill which deserves that label, and—more importantly, you owe it to the people of this country.

article published in yesterday's Wall Street Journal which underlines the urgency of coming to grips with the parking problem, not only here in Washington, but across the Nation. The article states:

An estimated 75 million cars are looking for parking places these days, up from 40 million in 1959. Traffic authorities say the creation of new parking facilities hasn't come anywhere near keeping pace with the auto population explosion.

The toll exacted in driver frustration, as each individual finds the supply of parking spaces far short of the demand, cannot be measured. But each city can gage the economic loss sustained as motorists shun the inner city because there is no place to park their cars.

Mr. President, the Senate will soon have an opportunity to consider once again a bill I have introduced—S. 944. The bill would authorize the establishment of a public parking agency in the District of Columbia, with authority to raise necessary revenue for building public parking lots around the city. The passage of my bill would go far in meeting the parking needs of residents of the Washington metropolitan area, not to mention the more than 10 million visitors to the Nation's Capital each year.

Critics of the bill allege that public parking lots would unfairly compete with private parking lots. But this has not proven true in other major American cities. For example, the Wall Street Journal notes that:

Detroit seems to be mixing municipal and private parking facilities successfully. The 23 city-owned garages and lots, which park nearly 4 million cars a year, are operated by private companies. Privately owned lots mingle with the city-owned facilities and seem to do a thriving business.

Mr. President, I ask unanimous consent that the article entitled "Sorry—Lot Filled" be printed in the RECORD.

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

**SORRY—LOT FILLED: LACK OF PARKING SPACE POSES GROWING PROBLEM AS AUTO TOTAL CLIMBS—PINCH WORSENS AS CITIES CLEAR STREETS TO UNCLUG TRAFFIC—RETAILERS HAVE BIG STAKE—GARAGES OVER EXPRESSWAYS?**

(By Ronald G. Shafer)

DETROIT.—At a luncheon not long ago, Novice G. Fawcett, president of Ohio State University, turned to Lee Iacocca, vice president of Ford Motor Co., and asked: "What's your biggest problem?"

"Selling cars," replied the Ford executive. "What's yours?"

"Parking them," sighed Mr. Fawcett.

There are 13,000 parking spaces at Ohio State. But faculty and student parking permits have been issued to 20,000 cars this year. Hundreds more students drive unregistered cars, and visitors drive hundreds of other cars onto the campus each day.

Finding a place to park anywhere is becoming an increasingly frustrating exercise for U.S. motorists. And parking has become a major headache for stores, factories and municipal agencies in cities, suburbs and small towns throughout the nation.

THE SEARCH GETS TOUGHER

An estimated 75 million cars are looking for parking places these days, up from 40 million in 1959. Traffic authorities say the creation of new parking facilities hasn't come

### SORRY—LOT FILLED

Mr. TYDINGS. Mr. President, I commend to the attention of Senators an