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problem—monthly rates, for example, or the add-on method of quoting dollars per \$100 per year. We disagree.

The price of money in all other credit transactions in the economy is universally in terms of annual interest rates. Consumers considering a home-improvement loan on an installment basis as against an increase in the mortgage—both stated as 5½ percent—may not know that one is an add-on (or discount) rate and the other a true annual rate. Use of savings in an account paying 4½ percent interest, as against an installment loan might be judged differently if the installment loan is quoted at an annual rate of 12.9 percent rather than at \$7 per \$100 in add-on rates.

Stating credit costs on a uniform, annual effective rate basis would not only make it possible for consumers to shop readily among competing credit sources, but would stimulate such shopping. Many witnesses in the 1963-64 hearings said, in effect, "If I had known the rate was 40 percent, I would have looked elsewhere," or "I would have made other arrangements."

If rates are soothingly low-sounding, such as two percent a month or \$7, \$8, or \$9 per \$100 per year, shopping for credit may not seem really necessary or worth while.

How much money is paid out unnecessarily in excessive credit charges isn't known, except for the certainty that it's a lot. In the California study of installment car buyers, mentioned earlier, it was found that four-fifths of the families did not check any credit source other than their car dealers. They paid, on the average, a rate of 22.9 percent in true interest charges. The one-fifth who did check other lenders came out with the relatively low rate of 12 percent. The study specifically pointed out that "The failure to shop for credit was, in all probability, related to the fact that very few of the families knew how much they were paying for credit in terms of annual or simple interest."

If price competition can be made effective among installment lenders, there will be hope for at least some reduction in rates generally, and a much sharper curtailment of excessive rates.

To some of those who oppose this legislation, such a development looms as a threat to the whole concept of credit buying and even to the economy itself. We say this is nonsense.

We in the AFL-CIO are not opposed to consumer credit. We are well aware that many items have become a part of the American way of life, from automobiles to washing machines, would be out of the practical reach of many families if credit were not available. Surely they would be out of reach for most wage-earners. And if they were out of reach, they could not be sold in quantity, many of the workers who make consumer goods would be out of jobs as well.

So we are all in favor of consumer credit. All we ask, and all that S. 5 provides, is that the consumer can tell how much credit is costing him, in honest, understandable terms.

S. 5 does not specify what credit costs should be. It simply requires lenders to tell what they are charging.

What is wrong with that? It seems to us that the only institutions that will be hurt are those who have something to be ashamed of—who know that they are bilking the buyer, and that their charges cannot stand disclosure.

We know that some opponents of the bill have claimed it would be impossible for them to reduce their credit charges to simple annual interest. Without making any claim to be expert computers of credit rates, we simply don't believe them. Surely the credit charges were established on the basis of the return expected of them. Surely those who pur-

vey credit, when they do their own borrowing, calculate costs on a simple percentage basis. We believe their customers are no less deserving.

Actually, S. 5 is far from inflexible in this respect. It sets out a general method of computation and allows for variations for special situations within the discretion of the Federal Reserve Board. It provides for reasonable tolerances on the annual rate statement rather than absolutely precise mathematical exactitude.

As this committee knows, there are now precedents for truth-in-lending set by state statutes. In 1966 Massachusetts became the first state to enact comprehensive truth-in-lending legislation, requiring disclosure of annual rates on virtually all types of consumer installment sales and loans. And on March 23 of this year, a similar statute was signed into law for the state of Washington. The Department of Defense has had a truth-in-lending directive in effect since July 1, 1966, for lenders who do business with servicemen.

Mr. Chairman, this legislation has been under discussion since 1960. It has been debated and refined. It is thoroughly familiar to the committee, to the Congress and to the general public. It is simple, clear and straightforward. It penalizes no one. On the contrary, it offers American consumers—especially the credit buyers, who comprise almost half the families in the nation—the simple right to know how much they are being asked to pay when they don't pay cash.

From the very beginning, we in the AFL-CIO have raised one basic question with respect to this bill: "What's wrong with it?" We have yet to hear anything approaching a persuasive answer.

Therefore we strongly urge your prompt and favorable consideration of S. 5, so that the clear light of truth can illuminate credit transactions throughout the land.

SOCIAL ACCOUNTING

Mr. MONDALE. Mr. President, Washington University in St. Louis, Mo., publishes a highly respected monthly magazine known as *Trans-action*, which describes itself as "the magazine of social science and the modern society."

The latest issue of the magazine carries an editorial by senior editors Irving Louis Horowitz and Lee Rainwater, both Washington University professors, concerning congressional legislation involving the social sciences and the Federal Government's efforts to assess the state of the Nation. Specifically, the editorial discusses S. 843, The Full Opportunity and Social Accounting Act of 1967, which I introduced along with 10 other Senators early this year.

I ask unanimous consent that the editorial "Comment: Social Accounting for the Nation," be printed in the *RECORD*.

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

[From *Trans-action*, May, 1967]

COMMENT: SOCIAL ACCOUNTING FOR THE NATION

(By Irving Louis Horowitz and Lee Rainwater)

We are now witnessing an ever increasing reliance upon a whole range of social sciences as the American style demands constant assessment of national goals. As public officials become increasingly self-conscious about the quality of American life and cloysingly dedicated to spelling out the national purpose, they are adding the use of other social sciences to the already institution-

alized use of economics in determining where we are and where we should go. This inclination, tentative as it still remains, is being matched by the escalating interest of even the most academic of social scientists in the possibilities of their work for creating as well as describing society.

The most significant of several recent moves in the direction of institutionalizing social science as a part of the federal government's efforts to assess the state of the nation and our government activity is Senator Walter F. Mondale's Social Accounting Bill. Senator Mondale (D., Minn.) has introduced legislation aimed at reaching three goals:

—establishing a Council of Social Advisors to devise a system of social indicators to advise the President on and to evaluate national social policies;

—requiring the President to transmit to Congress an annual social report on the nation, specifying progress made, listing goals for the future, and outlining policies for achieving these objectives;

—and establishing a joint committee of Congress to review the presidential report, just as the joint economic committee exercises supervision and responsibilities in economic matters.

On first sight such legislation might appear to simply make more paper work and reports for the government, but if the long experience with the establishment of the Council of Economic Advisors is any guide, Senator Mondale's bill can have a most profound impact both on government operation and on the social state of the nation generally. The bill, if passed, can institutionalize a much more systematic assessment of the social implications of various government actions and of the introduction into the policy-making process of the kind of social considerations that now tend to be either ignored or dealt with in a cavalier manner. Over time the government will begin to face some of the now unrecognized consequences of its actions and will be forced to address as policy issues various social problems which factual ignorance now clouds and conceals.

Although there are strong elitist overtones in establishing yet another group of experts crucial to the policy-making process, Senator Mondale's proposal should eventually result in an extension of democratic policy-making. The most important effect of the bill, as of the increasing importance of the program-planning budget system, will be to compel a clear statement of national goals. Just as in the economic area, this public statement of goals should allow for debate and action, both on the extent to which the goals are being achieved and on the adequacy of the goals framed. For example, the Council of Economic Advisers has taken the lead sometimes shakily in stating that the risk of inflation is a concern that overrides the goal of full employment, making it possible to debate the issue. Were these inclinations only vaguely implied in the economic planning of the nation, it would be much more difficult to formulate a debate on the relative importance of full employment, inflation, and a favorable balance of payments.

The long-range effects of the Mondale legislation on the social sciences themselves would be great. The social sciences are called upon to "put up or shut up" by a program directly calling upon social advisors to work out a social report. Social scientists might experience great internal pressure to move in the direction of more precise and clearly formulated statements about society and about the effects of various kinds of intervention on society. There is certainly no current equivalent of Keynesian programming in the other social sciences. In that sense the establishment of national social policy to some extent precedes and presumes the development of theory adequate to the task. The call for:

wider use of social indicators should have the effect of making the development of such theory, along with a spelling out of the indicators themselves, an item of first priority for the social sciences.

In this connection, in order to establish a meaningful set of priorities, we urge that the Council of Social Advisors be enlarged from the present proposed three-member committee to a larger committee. In this way a larger network of advisors from the social science community can be involved. The quantity of information which will be required can be used to expand the type of theoretical horizons that will be needed. The purpose of the Mondale legislation is clearly *not* to build bigger and better mouse-traps—for example, bigger and better mental institutions—but rather to show how the use of social indicators can lead first to political policies which might lead to a reduction and finally to an elimination of the need for institutions of this sort.

The legislative career of the act will help make clear that the Senate expects the Council of Economic Advisors and the Council of Social Advisors to cooperate closely and to mutually influence each other. Otherwise, it is likely that one will get two sets of perspectives: an economic advisor's perspective that orients itself mainly to the general health of the economy and a social advisor's perspective that orients itself mainly to all the kinds of troubles that are left over. In the long run, it would probably be desirable to merge the two councils. However, in the beginning, the social advisors probably need the protection of an autonomous agency until they have demonstrated their worth to carry real weight in any kind of combined council.

Much of the data that a council would use are currently collected in the various departments (HEW, OEO, Labor, and Commerce). However, this information is invariably tailored to the particular mission and policy commitments of the department concerned. Over time, the council should be in a position to offer guidance on developing information series which are less biased in terms of particular departmental perspectives. Only a group outside the given interests of each agency will be in a position to gain flexibility in developing and assessing methods for achieving national goals that cross departmental aims.

It is encouraging to find Congress taking leadership in the effort to make the social sciences policy relevant in the broadest possible way. Senator Mondale's bill, along with the proposal by Senator Abraham A. Ribicoff (D., Conn.) for an Office of Legislative Evaluation to determine the extent to which Congress' legislation accomplishes its intended goals, can provide crucial elements in developing a more rational, humane society.

Nor can Senator Mondale's proposed legislation on social accounting be isolated from companion legislation being introduced by Senator Fred E. Harris (D., Okla.) on the establishment of a National Social Science Foundation. For the emerging recognition of the worth of social science information comes at a time when there is a corresponding legislative concern over the moral behavior of social scientists. Therefore, the allocation of funds for the kinds of nonpolicy-oriented research that in the past (and present) have never received much government support or even encouragement is a necessary correlate to the social-indicators approach. For without free and imaginative research, the constructive role of a continuing evaluation of social indicators would be seriously impaired from the outset.

What these social science bills must help ensure is the growth of a wider network of politically relevant groups whose interests can be articulated and represented in federal planning councils. In the absence of this representation, there exists a danger that the planning agencies can become spokesmen for

special interests masquerading as the voice of the total society. Experience with this process can serve as a means for educating otherwise inarticulate publics within American society, and for helping them to translate their passions into programs.

DEATH OF FORMER FEDERAL JUDGE DELBERT E. METZGER, OF HAWAII

Mr. INOUE. Mr. President recently, Hawaii lost a great champion of civil liberties with the death of former Federal Judge Delbert E. Metzger, in Honolulu, at the age of 92.

Even to this day, few Americans realize that the people of Hawaii lived under the harsh dicta of martial law for a considerable period during World War II, when Hawaii was a Territory of the United States.

Judge Metzger ruled that the military had illegally closed the civil courts in Hawaii and had otherwise infringed upon the rights of the Territorial government. He was upheld by the U.S. Supreme Court.

A fearless crusader for what he believed to be right, Judge Metzger once said:

I've never regretted a single decision I have ever made.

I ask unanimous consent that the accounts of Judge Metzger's passing, published in the Honolulu Advertiser and the Honolulu Star-Bulletin, be printed in the RECORD.

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

[From the Honolulu Star-Bulletin, Apr. 25, 1967]

EX-JUDGE METZGER DIES—CHAMPION OF CIVIL RULE

Delbert E. Metzger, 92, of 1914 Vancouver Drive, died last night at Hale Nani Hospital. As a Federal judge during World War II, he fought against military encroachment on civil government.

Graveside services with military honors will be held over the ashes at 5 p.m. Thursday at Oahu Cemetery.

The Reverend Kenneth Rewick will officiate.

Mr. Metzger served in the U.S. District Court in Honolulu from 1939 to 1952.

In his battle against the Military, he once levied a \$5,000 fine on Lieutenant General Robert C. Richardson, Jr., commanding general in Hawaii, for contempt of court.

The United States Supreme Court upheld his contentions on military rule. It declared that the Military had illegally closed the civil courts and had otherwise imposed unnecessary orders on the Territorial government.

In another case, Mr. Metzger ruled that Navy enlisted men do not lose their constitutional rights simply because they are in the Navy.

BAIL REDUCTION

One of his most controversial actions was reducing the bail of seven Islanders—including the I.L.W.U.'s Jack Hall—from \$75,000 to \$5,000 each after they were charged, under the Smith Act, of conspiring to teach and advocate the overthrow of the government.

"The practice of setting bail was never intended as a punishment of defendants before trial," he said.

His action was denounced in Congress by Senator Joseph C. O'Mahoney, Wyoming Democrat.

President Truman did not reappoint him in 1952. Mr. Metzger said he wasn't reappointed because of his decision in political cases.

BORN IN KANSAS

Delbert Everner Metzger was born in Ozawatie, Jefferson County, Kansas on March 4, 1875.

He attended public and private schools in Kansas and then enrolled at Washburn College. He received his law degree from Indiana Law School.

While he practiced law on the Mainland, he did not limit himself to that profession. He was farmer, rancher, theatrical promoter, newspaperman and mining engineer.

It was as an engineer that he first came to Hawaii in 1899. He volunteered with the Army during the Spanish-American War. He was assigned to the detachment making the first U.S. land survey and map of Pearl Lochs (now called Pearl Harbor).

The digging of artesian wells made him familiar with the land in Oahu, Kauai, Niihau and Hawaii.

And he mixed in politics, too.

With three others, he helped organize the Democratic Party on Kauai in 1900.

As a reward for his services to the party for 60 years, the Democrats named him to the Electoral College in 1960. Thus he cast one of the three votes that Hawaii gave to President Kennedy in the Islands' first presidential election.

MANY OFFICES

Mr. Metzger held many offices. He was a territorial senator from the Big Island from 1913 to 1915 and was treasurer and insurance commissioner for the Territory from 1918 to 1922.

He was considered for appointment as governor of the Territory in 1933, but President Roosevelt bypassed him.

He was named judge of the Fourth Circuit Court in Hilo in 1934. He served on the State bench until he was appointed to the Federal court in 1939.

Mr. Metzger married Alice Marlon Weight in Hilo June 29, 1911. She survives, as does one son, Franklin.

The late Louise Hollingsworth, who reported court news for the Star-Bulletin for many years, said Mr. Metzger was "a soft-spoken, mild-mannered man whose firm, judicial pronouncements were sometimes almost inaudible."

LOUD REPERCUSSIONS

But his decision had loud repercussions.

Military government was set up in Hawaii after the attack on Pearl Harbor on December 7, 1941.

Mr. Metzger's stand against what he felt to be arbitrary and unfair operation of military law brought him into sharp conflict with the military government.

The Army had banned habeas corpus proceedings.

Mr. Metzger in 1943 had granted writs of habeas corpus to two naturalized Americans of German birth who had been held by the Army.

In 1944 he granted a writ to Lloyd C. Duncan, an American-born civilian worker at Pearl Harbor who got into a minor fight with marine sentries. He ruled that martial law did not exist in Hawaii and the provost court had no right to try Duncan.

General Richardson refused to obey the court's order and Metzger fined him \$5,000.

Richardson retaliated with a general order forbidding any further action in the case or any attempt to enforce the fine.

Attorneys complained, "It's bayonet rule." The Supreme Court upheld Mr. Metzger.

The Chicago Tribune commented:

"Even when military force prevented the execution of his mandate and he himself was threatened with an arbitrary fine by Lieutenant General Richardson, he courageously and consistently insisted on uphold-