Although there is a right-to-work law in the State, and perhaps in the constitution of the State, it was not made an issue in any court that we know of.

Mr. Rose, the general manager of a small electronics corporation in Florida, told of not being allowed to install a sequencer. He had nonunion men. The installation part of contract was taken away to "buy labor peace." By innuendo or by implication, Mr. Rose was told that if his company instead of the electrical union insisted on installing the equipment, there would be a strike on the cape. It was suggested by one union leader to Mr. Rose that it was his patriotic duty to capitulate to the union. Mr. Rose called it patriotic blackmail.

It seems to me that in this case, too, the enforcement machinery of existing law applied by an aggressive Department of Labor could erase a situation which has gotten pretty bad and pretty serious.

I shall not belabor the RECORD any more today, Mr. President, by citing other incidents on such situations as that which recently came to light in Philadelphia. These situations must be corrected immediately. I know our investigators will continue to follow the evidence wherever it is and that we shall hold committee sessions and public hearings whenever the evidence discloses unsavory conditions. I hope deeply that our committee will shortly go into executive session to tailor proposed legislation to meet the specific problems the investigation has disclosed.

Beyond that, I again express the hope that the Congress, before adjournment this year—I hope before the end of June—will pass legislation to make the type of situations which have been discussed today impossible, with penalties sufficiently great so that if there are violations in the first instance there will not be many of them because those engaging in making such violations will recognize that the American public has made up its mind "first things come first" and that no selfish group has the right to jeopardize the security of every American for temporary gain for itself.

EXECUTIVE SESSION

Mr. HUMPHREY. Mr. President, I move that the Senate go into executive session for the consideration of the nomination at the desk.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

SUPERINTENDENT OF THE MINT OF THE UNITED STATES AT DENVER, COLO.

The PRESIDING OFFICER. The clerk will state the nomination.

The legislative clerk read the nomination of Fern V. Miller, of Colorado, to be Superintendent of the Mint of the United States at Denver, Colo.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

Mr. MUNDT. Mr. President, apparently I am temporarily the only Republican Senator in the Chamber. Has this nomination been cleared?

Mr. HUMPHREY. Yes. This is the nomination to be Superintendent of the Mint of the United States at Denver, and it has been cleared with the minority.

Mr. MUNDT. I heard the earlier colloquy. I have no objection.

LEGISLATIVE SESSION

Mr. HUMPHREY. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

PRINTING IN THE RECORD OF PRESIDENTIAL PRESS CONFERENCES

Mr. HUMPHREY. Mr. President, I introduce, for appropriate reference, a joint resolution to provide for the printing in the RECORD of the transcript of Presidential news conferences.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 86) providing that each Presidential press conference held during a session of Congress shall be printed in the CONGRESSIONAL RECORD, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Rules and Administration.

Mr. HUMPHREY. Mr. President, the relaxed Presidential press relationship which we are familiar with today is the result of a long evolutionary process in our American history. The first press relations conducted in a modern sense began with President Cleveland, with regular news conferences being initiated by President Wilson. Throughout this period, from Presidents Cleveland to Eisenhower, direct quotations required the special permission of the President. Under the Eisenhower administration, for the first time Presidential press conferences were rebroadcast on radio and television, while President Kennedy has contributed to the public's interest in Government by conducting live TV and radio press conferences.

Of what greater importance is the free, unedited communication system between a President and his people. Only through a well-informed public can a President hope to attain the cooperation so vitally necessary to make a democracy work. However, this is not a one-way street, for in freely communicating with the public the President is better able to ascertain what the public's opinion is on leading issues of the day.

Furthermore, since our great Nation is a world leader, the uninhibited press conference serves to inform while reaching out a hand of friendship across the seas. In no better way can we promote a clearer understanding of the United States and its policies than through the official words of our President.

It is with the aforesaid facts pertaining to the significance and importance of the Presidential news conference in mind that I introduce, for appropriate reference, a joint resolution authorizing and directing the Joint Committee on Printing to print in the CONGRESSIONAL RECORD a transcript of each Presidential press conference held while the Congress is in session.

Presently, only nine newspapers in the whole United States print the conferences in their entirety. I compliment those nine newspapers for their great public service. Thus, printing the conferences in the CONGRESSIONAL RECORD will make them a readily accessible public document to Americans, as well as to our neighbors overseas.

Of course, this could be done by any Senator asking unanimous consent at any time following a press conference that the transcript be made a part of the CONGRESSIONAL RECORD. It seemed to me, however, it would be much more desirable to have some official action, and to have the transcripts of press conferences made a part of the RECORD automatically, by passage of a joint resolution, as I have indicated today.

These press conferences will serve a very valuable function for students, for thought leaders, for community leaders, for editors, and others who are keenly concerned about the course of American history.

It is essential for the social and political leaders of a country to keep abreast of U.S. policy statements. Since the CONGRESSIONAL RECORD is widely distributed among the world's opinion-makers, the verbatim reporting of Presidential news conferences would eliminate the ofttimes endless search for the exact statement on any one issue.

Any possible distortion of facts due to the human element of the news processes will have been eliminated. This is most important in light of the world posture of the United States and its desire to honestly and sincerely promote world peace through understanding.

Mr. President, because President Kennedy has taken a bold approach to his press conferences, I sincerely believe the resolution I have introduced today will serve to complement and implement the free exchange of ideas.

The publication of the transcript of the conferences would be a great public service for all educational institutions and all media of communication.

"TRUTH IN LENDING" BILL

Mr. DOUGLAS. Mr. President, on April 27, 1961, on behalf of myself and 21 other Senators, I introduced the "truth in lending" bill, which would require all lenders to fully disclose to any borrower the cost of consumer credit prior to the consummation of credit transactions.

On Wednesday, May 3, a lengthy speech was made by Senator BENNETT on the Senate floor attacking this bill. There were a number of charges made against the bill and its sponsors. I have prepared a reply answering the major

charges against the bill. I do not choose to reply to those charges of a personal nature which were included in Senator BENNETT'S speech, since an exchange of personalities is seldom productive and it is better to let one's life and conduct answer these imputations rather than to refute them with words.

First, however, let me quote some of the statements made in the speech in opposition to this legislation:

Those who embark on a crusade in the name of truth take on themselves a great moral obligation. They must search for truth diligently with open minds—minds that are not so prejudiced that they reject, oppose, or ignore all facts that do not fit into their conceived goal or purpose.

Is this bill, S. 1740, conceived and supported in the clear spirit of truth? Do its requirements meet its stated objectives? Are the examples used and the arguments made to support it clearly relevant, internally consistent, and free from concealed purpose? Speaking as a member of the Subcommittee on Banking and Currency, which heard a similar bill last year, my answer to all of these questions would be an unqualified "No."

Those who have read S. 1740 will have no difficulty in understanding the purpose of this bill. The remarks which I made on the floor of the Senate at the time of the introduction of this bill will, I think, demonstrate that the examples and arguments made in support of this bill are both relevant and internally consistent.

I shall not comment on the accusations of "prejudice," "ignorance," and "concealed purpose" levied against the sponsors of this bill.

However, the charges leveled against the bill itself do require a complete and detailed response. Therefore, I have prepared a reply listing the major charges raised by the Senator from Utah and providing the facts which, it is submitted, refute these allegations.

CHARGE

It is charged that this "bill may conceal an antibusiness bias, including an apparent belief that businessmen must be immoral, ipso facto."

FACTS

Since this is a charge against all of the sponsors of the bill, I shall not attempt to answer this accusation on their behalf. Their record is a complete defense.

For my part, I expressed my own intentions on the floor of the Senate when S. 1740 was introduced as follows, and I did so without any mental reservations or any ulterior purposes.

We want to correct a situation which has existed for many years. We ask only for improvements in the future and are not concerned with apportioning the blame for the present or the past.

Let me make it perfectly clear that I am not trying to indict the American business community. Undoubtedly, the overwhelming majority of lenders and sellers wish to be completely honest and ethical, but in pursuing the elusive consumer at the retail level, too many lenders have fallen into a competitive jungle where survival seems to have depended upon camouflaging, hiding or understating the real price of credit.

The record of the hearings last year clearly demonstrates that the majority of borrowers are not fully informed about the true cost of credit.

Mutual savings banks, credit unions, legal aid societies, and better business bureaus all testified to the abuses arising out of the nondisclosure of the cost of consumer credit.

They also supported this bill.

Most of the reports from executive agencies last year were favorable. Many agencies recommended enactment of this bill.

I cannot believe that these groups would support legislation which conceals an antibusiness bias including an apparent belief that businessmen must be immoral.

Also, Dr. Theodore O. Yntema, vice president in charge of finance, Ford Motor Co., testifying before the Senate hearings on auto financing, stated:

The variety and complexity of finance and insurance arrangements and the charges for them are such as almost to 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.

Is the vice president of the Ford Motor Co., guilty of harboring "an antibusiness bias?"

CHARGE

The lurid examples, presented in the testimony, actually involve fraud and other crimes which are already punishable by local law.

FACTS

It is true that some of the lurid examples presented in the testimony before the committee last year might have been violations of State and local laws. If they were not, they certainly should have been, since they involved gross fraud or exploitation, particularly of our less educated and lowest income groups.

However, the majority of the examples presented in the testimony were demonstrations of misleading and deceptive statements of the cost of credit. Most of these techniques of hiding credit costs have been labeled "misleading and deceptive" by the Federal Trade Commission.

However, I urge every Senator to read the record of the hearings last year and determine for himself whether this charge is accurate. The hundreds of pages of testimony about abuses in the field of consumer credit are ample evidence of the widespread use of techniques to camouflage the cost of credit. Furthermore the legal process is so costly and time consuming that it is not an adequate remedy for those with limited incomes and little leisure with which to prosecute complaints.

CHARGE

S. 1740 asks Congress to ignore these elementary commercial facts. This is legislative irresponsibility. * * * In fact, at least 31 States have passed laws dealing with various types of merchandise credit, including measures establishing maximum rates and compelling comprehensive disclosure of consumer credit charges, but in dollars or monthly rates of service charge. They have acted responsibly. They have known better than to saddle the merchants of America with the impossible liability inherent in the simple annual requirement of the bill.

FACTS

The majority of the States have passed laws requiring small loan companies to state their charges in terms of simple interest. Generally, these laws provide that the simple interest rate must include all charges incident to the extension of credit. However, these lenders are permitted to state the simple interest rate on a monthly rather than an annual basis.

Over 40 States require State-chartered credit unions to state their charges in terms of simple interest. Again, the simple interest rate must include all costs incident to the extension of credit. The simple interest rate is usually permitted to be stated on a monthly, rather than on an annual basis.

Most retailers disclose their credit costs on revolving charge accounts and simple credit plans in terms of a simple interest rate on the unpaid balance on a monthly basis.

However, to my knowledge, no information was presented to the Production and Stabilization Subcommittee last year to indicate that any State law prevents lenders from disclosing their changes in terms of a simple interest rate on an annual basis rather than on a monthly basis.

Therefore, it should be clear that—

First. The majority of the States require the use of the simple interest rate method of disclosing the costs of many types of consumer credit.

Second. Where many State laws, in regard to the disclosure of the cost of credit are silent, such as in the case of charge account and revolving credit plans of retailers, the established business practice has been to use a simple interest rate on a per month basis because it is the easiest rate computation and disclosure method to use.

Most mortgage lenders disclose mortgage costs in terms of a simple annual interest rate.

Third. To convert a monthly simple interest rate into a simple annual rate only requires multiplying the monthly rate by 12—there are 12 months in a year.

Such a requirement does not appear to me to be irresponsible. I find it difficult to construe this as saddling the merchants of America with the impossible liability inherent in the simple annual requirement of the bill.

If rates can be quoted on a monthly basis, why can they not be quoted on a yearly basis?

CHARGE

I have considered it my duty to urge the Congress to be especially watchful of this legislation. Its alleged banner of truth is a tempting one to follow. But this truth label is a deceptive cover for a misleading package—a hidden bill trick.

It is then charged that this bill—

could not be enforced except with the aid of a vast army of Federal price control bureaucrats. If rigid enforcement of S. 1740 were attempted it would burden the taxpayer with heavy cost of a supersnooper agency, bring both weakness and chaos to our credit-based system of retail distribution, and lessen, rather than increase, the consumer's knowledge of truth in lending.

FACTS

Last year opponents complained about the self-enforcing features of the bill. A careful reading of section 7 of the bill will indicate that this bill has been designed to be self-enforcing with a minimum of compliance burden or expenditure. The bill permits the borrower to recover from the lender twice the finance charge involved, up to $2,000 if the lender does not disclose the information required by the bill.

Of course these charges are not new. Every time Congress has considered a bill to require full disclosure or accurate labeling of any goods or services, it has been charged that such a requirement would bring chaos to that industry.

The truth in securities or SEC legislation was opposed on these same grounds over 25 years ago.

More recently the automobile price labeling legislation was opposed on the same grounds.

CHARGE

Finally, we come to the question which should have basic and ultimate concern for all of us, who, as I said at the beginning, should be dedicated to truth in legislation. Is the bill constitutional?

FACTS

This bill (S. 1740) does rest on a sound constitutional basis.

The *Legal Tender* cases (79 U.S. 457 (1870)) support the following propositions:

First. The power conferred on Congress by article I, section 8, of the Constitution "to coin money, regulate the value thereof, and of foreign coin" does not limit by its terms the power of Congress with respect to the currency.

Second. This power, coupled with (i) the "necessary and proper clause," and (ii) the denial to the States—article I, section 10—of any power to coin money, emit bills of credit, and to make anything but gold and silver coin a tender in payment of debts, vests whatever power there is over the currency in Congress.

Third. For an act to be constitutional it is not necessary to show that it is indispensable in order to give effect to a specified power. Congress has the choice of means to a permissive end.

From these general propositions one may reasonably contend that a requirement by Congress to disclose the cost of credit is an exercise of its power over the currency; such disclosure having been determined by the Congress to be necessary in order to stabilize the economy and protect the value of the currency.

CHARGE

It is charged that—

The language which describes the stated objective of the bill conceals the true purpose.

The alleged true purpose is later identified. It is said by the opponents that—

1. The bill as drafted would require Federal regulation of the methods and procedures by which merchants may extend credit. Even the author of the bill denies this purpose.

2. This legislation would require the establishment of a full-blown Federal price control agency to fix maximum cash ceiling prices for every merchant and on every item in every corner of the United States, and to compel the separate statement of the percentage credit rate.

3. The proponents of the bill have maintained a discreet silence on these points, and although price control may not be the ultimate objective of the bill, it is meaningless without such control. This silence is understandable because it hides the unpalatable truth.

FACTS

These charges that the hidden purpose of the sponsors of this bill is "the establishment of a full-blown Federal price control agency" are certainly without foundation. I think everyone recognizes tactics of desperation. When one cannot find fault with the substance of a bill, the motives of the sponsors are questioned.

It is amazing to discover that this opponent can read the minds and motives of the 22 Senators sponsoring this legislation with such complete assurance.

Of course, anyone who has bothered to read this bill can determine for himself whether or not there is one single word in the bill to suggest or imply any sort of Federal price fixing.

I do not claim any similar extrasensory perception or omniscience. Therefore, I cannot, and will not, attempt to explain the rationale for these accusations.

Furthermore, the language of this bill which allows State regulation when Federal standards are completely met refutes these charges.

Section 6(b) of the bill:

6(b) The Board shall by regulation except from the requirements of this act any credit transactions or class of transactions which it determines are effectively regulated under the laws of any State so as to require the disclosure by the creditor of the same information as is required under section 4 of this act.

Obviously any State can assume the responsibility for administration of the disclosure requirements of this act and take away the job by merely conforming to the simple standards laid down in this bill.

This is a Federal standards bill. It sets criteria for full disclosure of the costs of credit. But the purpose of this section is to encourage the States to improve their disclosure laws so that they may assume the responsibility for enforcement and administration.

It is also interesting to note that some of the same parties who complain most vociferously that States rights are being invaded have opposed this same type of legislation at the State level. One of the arguments used against such full disclosure legislation at the State level is that it would be unfair to require lenders in one State to fully disclose the costs of credit in a meaningful manner while their competitors in other States with inferior credit cost disclosure laws could continue to woo away customers through the use of misleading methods of stating the cost of credit. That is why Federal standards are needed.

CHARGE

The futility of the bill as it stands needs no intricate explanation. [A merchant] would be free to fix his prices at levels which would take care of his credit losses and could remain free to advertise to consumers that he made no charge for credit, no matter how long the period of payment was extended.

This is no figment of my imagination; the point has never been denied.

As a matter of fact, if the bill were passed, every merchant in the land would be under heavy pressure to set his prices so as to avoid any separate credit charges. And this could easily be done.

FACTS

This point was discussed and refuted by witnesses from the Credit Union National Association appearing before the committee last year.

There seems to be some fear that if this bill were enacted, merchandisers who are extending credit concurrently with the purchase of goods would simply lower their financing rates and boost up or "pack" the prices of articles sold. This fear, we believe, is groundless. Normal price competition in the sale of goods in local markets would prevent this from occurring and protect honest merchants for the following reasons:

(a) The merchandiser must first sell his product before customers will use his credit plan.

(b) Consumers carefully shop for goods and services when prices are fully disclosed or stated explicitly.

(c) Attempts by a merchant to hike prices on goods to make his finance charges appear to be more attractive would simply drive his customers into the stores of his competitors.

(d) Those customers who needed credit to purchase particular goods would shop for credit at "independent" lenders and make cash purchases or patronize a lower priced, cash-and-carry merchant.

In short, honest merchants should have nothing to fear. The normal workings of price competition in the marketplace would deter any unscrupulous merchants from attempting to pervert the intent of the bill.

[Source: Hearings before a subcommittee of the Committee on Banking and Currency on S. 2755, 86th Cong., 2d sess., consumer credit labeling bill, p. 542.]

This is such an artful argument that a fuller refutation is in order.

If merchants can easily hide the cost of credit by raising the price of their goods and services, why have they not done so already?

Most merchants do disclose the dollar cost of credit on monthly bills sent to customers. Also merchants do disclose the true interest rate on their financing charges on a monthly basis.

I fail to see why merchants make a disclosure of the cost of credit now if it is so easy to hide these costs in the prices of their goods.

Later Senator BENNETT suggests that this type of disclosure legislation should be left to the States.

Again, I fail to see why lenders would conscientiously comply with State laws which were adequate but would deliberately evade any such Federal law. I hope that the distinguished opponent of this legislation, with his personal experience in the lending field and his deep interest in the problems of consumer credit, will be able to explain why lenders would comply—and have complied—with State full disclosure laws where they are effective but would evade any such Federal law requiring the full disclosure of the costs of credit.

This is, indeed, a peculiar States rights argument.

Moreover, a little analysis of how free competitive markets work will also demonstrate the fallacy of this charge.

It should be obvious that in a free and competitive market, merchants are not free to fix prices on their goods at any level they desire in order to absorb or hide the costs of credit. Retail merchants operate in an extremely competitive market. Merchants who attempted such price fixing to hide the costs of credit would quickly find their business diverted to other retailers—cash and carry stores, discount stores, and other retailers who had not raised their prices on the same articles to conceal the cost of credit.

In fact, there are only two circumstances under which merchants could fix their prices at a higher level so as to conceal the cost of credit.

First. If the retailer were a monopolist. That is, he has no effective competition which would force his prices down to a competitive market level. I seriously doubt that there are many monopolists in the field of retailing. Even the single retailer in the small town must compete vigorously with the many mail order houses which are soliciting his customers.

However, if there are unusual circumstances in which a retailer has been able to establish an effective monopoly, we have antitrust laws which can correct this situation.

Second. The only other circumstance under which retailers can fix prices so as to conceal the cost of credit is if they all enter into a collusive agreement for that purpose to prevent price competition from operating.

Such collusive agreements are obviously conspiracies in restraint of trade, and we have adequate laws to deal with such occurrences. We are all keenly aware that a little price fixing has existed in the electrical manufacturing industry. If the opponent of this legislation feels that such conspiracies do exist now in the field of retailing, it is his public duty to notify the antitrust authorities for appropriate investigation and possible prosecution.

Therefore, I must strongly disagree with Senator BENNETT when he claims that such price fixing "could easily be done." It may be easy to enter into such price-fixing agreements, but retailers, I am sure, are perfectly aware that these arrangements are illegal. Indeed, I must also strongly disagree again with any suggestion that retailers will attempt to evade this law by violating other laws.

CHARGE

Let us start at the beginning with the objective. Does it state great truth—or, in fact, is it truth at all?

Senator BENNETT then read the declaration of purpose of the bill:

The Congress finds and declares that economic stabilization is threatened when credit is used excessively for the acquisition of property and services. The excessive use of credit results frequently from a lack of awareness of the cost thereof to the user. It is the purpose of this Act to assure a full disclosure of such cost with a view to preventing the uninformed use of credit to the detriment of the national economy.

It is then charged that—

This premise is at best highly debatable. Not a single line of testimony was presented to support this proposition at hearings on a similar bill last year.

FACTS

I explained the relationship between full disclosure of credit costs and economic stabilization in a speech on the Senate floor as follows:

Since the end of World War II, mortgage credit has increased almost six times—from $18.6 billion in 1945 to $140 billion in 1960. Consumer credit has increased more than eightfold—from less than $6 billion in 1945 to approximately $55 billion by the end of 1960.

Untimely shifts in this massive consumer debt may well initiate and carry booms too far; retrenchment of purchasing could intensify future recessions. This danger is even greater because the cost of much of the consumer debt is not advertised or quoted accurately.

The consumer-debtor is not adequately informed of the shifts in consumer credit rates over the business cycle. A law to require disclosure of the amount and rate of change of consumer credit costs would give consumers information which would lead any rational family manager to control and stabilize buying and borrowing. When rates are increased in boom times, the increase would become apparent and encourage consumer restraint. Conversely, as rates drop as economic activity recedes, consumers might be encouraged to undertake previously postponed purchases.

Also, part I, volume I, of the 1956 study by the Federal Reserve Board contained a chapter entitled "Consumer Credit and Economic Instability," which discusses this relationship in detail. A few excerpts from this study should suffice to remove any doubt about this relationship.

The borrower may be ignorant of, or deceived as to, the cost of borrowing or the terms, and this may result in uneconomic decisions. To the extent that a misallocation of the borrower's resources does result, a burden arises from this source.

Burdens that arise out of deceit and ignorance are not unique to the costs of consumer borrowing. They can arise in connection with any purchase made in ignorance or under induced misinformation. In the area of consumer installment credit, however, the exact costs frequently are not known, or the information on costs is not readily available or readily calculable in a form that the borrower can use. The same problem of lack of knowledge also may exist with respect to the "effective" price of the good itself as well as to the credit terms. This is true, for example, when prices are stated in terms of monthly payments.

* * * * *

A prime factor in business fluctuations: Consumer installment credit has often been a factor in changes in the level of business activity, but it has not been the principal cause of such changes. Although consumer credit has been associated with economic fluctuations, other factors have been of greater importance. This was clearly evident in 1929–33, 1937–38, 1949, and the downturn in 1953.

* * * * *

A leading and amplifying force: Although not the principal factor in any cycle, consumer installment credit has been both a leading and an amplifying force in economic fluctuations. In an impressive number of times, credit extended appears to have moved ahead of other economic changes—to have led at turning points. Time leads appear to have been longer in recoveries than in downturns. This differential experience may be due partly to the fact that consumer installment credit has been growing so strongly. But the lead record remains impressive even when allowance for growth is made.

As an amplifying factor, consumer installment credit has been rather similar to other forms of credit in that its movements have conformed to the general business cycle. The secondary and stimulating effects of credit extensions come more during booms; the secondary and retarding effects of repayments have often hung over into periods of recession. This amplifying effect is probably of greater relative importance in the modest turns in business activity.

* * * * *

A growing influence in credit market fluctuations: Consumer installment credit has grown in influence as a factor in the credit market and in credit market fluctuations. The rapid rate of growth has increased the relative importance of consumer credit institutions as borrowers. One of the basic problems of economic stabilization is to adjust the fluctuating flow of saving. Since all forms of credit fluctuate, it is difficult to select one form that has been more responsible than others for instability; however, the statistical record of consumer installment credit seems to put it among the less stable kinds of credit.

[Source: Consumer Installment Credit, Growth and Import, Board of Governors of the Federal Reserve System, pp. 191, 232–234.]

CHARGE

Our search for truth should lead us to try to discover whether there is any justification for legislation in this field at the Federal level. Have the States been asleep to the desirability of accurate, workable laws to provide truth in lending?

FACTS

It would appear from the testimony before the committee last year that many of the States do not, at the present time, require adequate disclosure of the cost of credit. The record of the hearings contains several tables which indicate the inadequacies of State laws in this respect.

The record of the hearings last year shows that only one State requires that the cost of credit be described in terms of a true interest rate on the unpaid balance on an annual basis.

Moreover, a nationwide survey submitted to the committee by the Survey Research Center of the University of Michigan showed that a majority of American consumers were either uninformed or misinformed about the cost of credit.

Thirty-nine percent of those polled did not have any idea of the consumer credit costs. The study found that the remaining 61 percent were not much better informed about the cost of credit. The report stated:

Obviously many people believed that the cost of installment buying is lower than it actually is.

The relatively great frequency with which costs of 4 or 5 and especially 6 percent were mentioned may be interpreted as a carryover from other information. Especially better educated people dislike to confess to an interviewer that they do not know the answer to a simple question. Other studies conducted a few years ago showed that the rate of interest paid on U.S. Government savings bonds is well known [3 percent or about 3 percent was the common answer] and the

same is true of the interest rate obtained on savings accounts. Most people also know that borrowing costs more than what one gets on savings. On the basis of these pieces of information, some people appear to have surmised an answer to the question of cost of installment buying. They mention some percentages with which they are familiar and which seem appropriate to them. Actually, their answers are uninformed guesses.

Even Chairman Martin, of the Federal Reserve System, admitted that he was confused by many of the present practices of stating the cost of consumer credit. Certainly, Chairman Martin's confusion is eloquent testimony to the need for legislation requiring full and accurate disclosure of the cost of credit.

However, Senator BENNETT also asks:

[Is] there any justification for legislation in this field at the Federal level?

This suggests that legislation to promote economic stabilization is not a proper function of the Federal Congress.

Earlier in this brief, the relationship between inadequate disclosure of the cost of consumer credit and economic instability was demonstrated.

If the Federal Government should not be concerned about economic stability and should not enact laws to promote economic stability, then in the name of consistency the Federal Reserve System should be abolished, commercial banks should be permitted complete power to print currency, and all other tools of the Federal Government which are utilized to promote economic stabilization should be returned to the States.

It is indeed strange to see those who profess such great concern about the evils of inflation suggesting that the prevention of inflation and the promotion of economic stability are not proper functions for the Federal Government.

PROFESSIONAL TEAM SPORTS AND THE ANTITRUST LAWS—INTRODUCTION OF A BILL

Mr. HART. Mr. President, in the last 10 years 37 bills which concern themselves with the legal status of professional team sports under the antitrust laws have been introduced in the Congress. Extensive hearings have been held and informative materials have become a part of the RECORD over this period of time. Notwithstanding all this attention, the uncertainties and inconsistencies in professional sports have not been resolved. No legislation has passed Congress.

The basic reason for the concern reflected by this legislative history is the inequality of treatment under the law now accorded professional team sports. In 1922 the Supreme Court held that professional baseball was exempt from the antitrust laws. This remains the rule of law with respect to baseball. In 1957 the Supreme Court held professional football was subject to the antitrust laws. The Supreme Court acknowledged this anomaly. While I oversimplify the explanation, careful reading of the several cases in this field indicates that the Court looks to Congress to clarify its intention with respect to the treatment of professional sports under the antitrust laws (*Federal Baseball Club* v. *National League*, 259 U.S. 200 (1922); *Toolson* v. *New York Yankees, Inc.*, 346 U.S. 356 (1953); *Radovich* v. *National Football League*, 352 U.S. 445 (1957)).

Today, out of order, I ask unanimous consent to introduce for myself and the distinguished Senator from New York [Mr. KEATING], a bill which, if adopted, will resolve the conflict and, in our judgment, treat fairly the claims of all the persons concerned with this problem, most especially the American public which supports and enjoys these national games. Senator KEATING for many years has given leadership in this effort and I am gratified and believe it significant that he would join in this bill. The bill would treat equally all professional team sports. These games have been described as being too much a business to be a sport, and too much a sport to be a business. This bill would affirm our intention that the antitrust laws apply to professional sports, but exempt the agreements and practices of baseball, football, hockey, and basketball, which are essential and peculiar to the games. These practices, developed over the years by those whose interests and imagination and money have brought the games to their present level, are essential to the conduct of these sports.

Adoption of this bill would give professional football, whose rapid and responsible growth all of us enjoy, a measure of the heretofore unlimited protection enjoyed by baseball. Adoption of the bill would bring baseball under the reach of the antitrust laws just as are all other sports and, as with each of the sports enumerated in this bill, entitled to the limited protection essential to the operation of the game.

The major leagues are now expanding. This action by organized baseball, we believe, will bring support to the effort to clarify the antitrust laws in this field. This action by organized baseball is the most dramatic but, certainly, not the only example of the growth and change which has occurred in this game in recent years; growth and change which have been constructive. In clarifying the status of professional sports under the antitrust laws, there is one caution which hardly needs be voiced. It appears wise that Congress sketch broadly an outline of the application of the antitrust laws to team sports and to establish identical positions under the law for the several team sports. But except for this action, Congress should remain in the grandstand. This bill does not authorize the Congress to decide who is a big league nor what constitutes a big league.

In this bill we seek to protect college football from threat of serious harm. With the increasing popularity of professional football, college athletic authorities are very concerned that professional football will compete with college football's traditional days—Friday and Saturday. This bill, of course, does not attempt to suggest the days on which games of these sports should be scheduled. But it does require that if a game of professional football is played on any day other than Sunday, it must not be televised from a television station located within 75 miles of the site on which an intercollegiate football game is scheduled to be played if such telecasting may harm the sport of football at that college. If the written consent of the college is given, then telecasting the professional game would be permitted. Absent this protection, college football is placed in serious jeopardy.

Mr. President, I ask unanimous consent that the text of the bill may be printed at this point in my remarks; that the bill be received and appropriately referred; and that it may lie on the table for 1 week for any Senators who may wish to do so to cosponsor it.

The PRESIDING OFFICER. Without objection the bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, and will lie on the desk, as requested by the Senator from Michigan.

The bill (S. 1856) to limit the applicability of the antitrust laws so as to exempt certain aspects of designated professional team sports, and for other purposes, introduced by Mr. HART (for himself and other Senators), was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of July 2, 1890, as amended (26 Stat. 209); the Act of October 15, 1914, as amended (38 Stat. 730); and the Federal Trade Commission Act, as amended (38 Stat. 717), shall not apply to any contract, agreement, rule, course of conduct, or other activity by, between, or among persons conducting, engaging, or participating in the organized professional team sports of baseball, football, basketball, and hockey which relates to—

(1) the equalization of competitive playing strengths;

(2) the employment, selection, or eligibility of players, or the reservation, selection, or assignment of player contracts;

(3) the right to operate within specific geographic areas; or

(4) the preservation of public confidence in the honesty in sports contests.

SEC. 2. No contract, agreement, rule, course of conduct, or other activity by, between, or among persons conducting, engaging in, or participating in the organized professional team sports of baseball, football, basketball, and hockey shall constitute a violation of the acts named in section 1 of this title to the extent to which it relates to the regulation of the granting by one or more clubs of the right to telecast reports or pictures of contests in the organized professional team sports of baseball, football, basketball, or hockey: *Provided, however,* That the granting by one or more clubs in one league of the right to telecast reports or pictures of its contests in such organized professional sports from telecasting stations located within seventy-five miles of the home community of another club in a different league in the same sport on a day when such club is scheduled to play there a regularly scheduled league game, or with respect to telecasting football contests only from telecasting stations located within seventy-five miles of the game site chosen by a college on a day other than Sunday when such college is scheduled to play there an intercollegiate contest in football, shall be unlawful whenever such granting of the right to telecast has not been consented to in writing by the other professional club or