is for installment credit, and pay finance charges of $13 billion a year on these debts, the paramount importance of this bill becomes clear.

On the state and provincial level, Massachusetts, Saskatchewan and Nova Scotia already have enacted their own truth-in-lending laws. The state of Washington was added to the list in March of this year.

Senator Warren Magnuson (D-Wash.) also has proposed a "Fair Credit Advertising Act," which would require that credit ads tell the total credit cost instead of merely the weekly or monthly payments required, as well as the true annual interest if any rate claim is made.

But labor and other consumer-interest organizations also are increasingly concerned about the need for changes in present state laws governing installment practices. These stem from the days credit was not as widely used and they protect mainly the seller.

These laws have become widely abused to exploit unknowing buyers. The present garnishee and repossession laws actually serve as twin levers of financial coercion. In most states, credit sellers can both garnishee and repossess. Thus, fantastically enough, sellers can repossess installment goods and still compel the buyer to keep on paying even after he no longer has his goods. Many garnishees today are of that very nature—garnishees for deficiency judgments on repossessed purchases. The present effort at state levels is to change present laws to let sellers garnishee or repossess, but not both.

Even the threat of a garnishee often is enough to compel a workingman to pay for a deceptively-sold purchase because he fears the loss of his job. Notoriously, too, states which have harsh garnishee laws allowing creditors to seize a large part of the debtors' wages usually have most consumer bankruptcies. California, which permits garnishment of up to 50 percent of wages, has a bankruptcy rate five times that of New York, which permits only 10 percent.

In a half dozen states, unions are seeking laws to bar firings because of garnishment. In New Jersey, for example, such a bill has been introduced year after year without enactment. In Ohio, too, unions have been seeking similar relief for years. In New York, in 1966, unions broke through the legislative barricade of the credit-industry lobby to win passage of the first such law—a modified version which bars employers from firing because of one garnishee in a 12-month period.

Other tools of deception presently written into the law in various states, which require correction, include the "cognovit" or "confession of judgment" installment contracts permitted in some states by which a buyer signs away his right to any court defense, and the "add-on" installment contracts permitted in most states. These make previous purchases security for new purchases, even though older purchases may be paid up.

Truth in packaging. The law finally passed by Congress turned out to be more a "clear labeling" law than the law originally proposed by Senator Philip Hart (D-Mich.). The original Hart bill would have eliminated the fractional ounces and other chaotic packaging practices now making it difficult to compare values. It now will be easier for shoppers to locate the statement of net contents on package labels. But you still have to try to compare the cost per ounce of, for example, different brands of tuna fish containing 5¾, 6½ and 7¼ ounces.

The new packaging law does establish a significant principle. The preamble says the nation's economy depends on informed choice. For the first time, Congress has said that how the consumer spends his money, or is led to spend it, affects the nation's welfare.

Service and guaranty problems. This is an area Mrs. Peterson was exploring on a voluntary basis with industry spokesmen before she returned to fulltime duty as an Assistant Secretary of Labor. Senator Magnuson has entered this difficult but necessary area of consumer protection in two ways. His consumer subcommittee, established in the closing days of the 89th Congress last year, is investigating hazardous appliances and other household equipment. Senators Magnuson and Norris Cotton (R-N.H.) have proposed the establishment of a National Commission on Product Safety to study these dangers.

Senator Magnuson's committee also is investigating the costs and problems involved in guarantees and service on household appliances in general—a source of great irritation and tension in the marketplace.

Drug prices. Despite the Kefauver-Harris Drug Act, the problem of high prices of vital medicines still plagues consumers and now has become a problem in financing medicare and other health plans. A number of senators and congressmen have become determined to encourage the use of generic drugs both for medicare-insured patients and the general public. Drugs under their generic names cost only a fraction of the same drugs under brand names.

Food prices. This remains one of the knottiest and also politically-sensitive problems, for which neither the Administration nor Congress has proposed any far-reaching or overall solutions. This problem will come to a head again late this summer, when food prices are expected to rise after the winter dip.

Consumer representation. The proposal by Rep. Benjamin Rosenthal (D-N. Y.) to establish a federal Department of Consumers has evoked discussion of the need for permanent consumer representation at the top levels of government. Whether this representation should take the form of a full-fledged department or an independent consumer counsel office, it obviously is needed to defend the consumer interest on a permanent basis, making it less vulnerable to the attacks of soap kings and soup magnates.

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