

“Oh what wicked webs they weave.” Perhaps the slickest and most greedy lobby in Washington, DC is

that of the big merchants. I witnessed what they can do while visiting Africa

. In their attempt to import “conflict cotton” (prison and slave labor) from China into the United States, this lobby put an amendment into the Africa Growth and Opportunity Act that allows the substitution of Africa cotton for that of China. The impact has been devastating on African cotton farmers who can no longer sell their goods to principals in the United States

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China

coming into the

United States

duty free under a law that was supposed to benefit business owners in

Africa

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It didn’t stop there. As soon as the Central American Free Trade Agreement (CAFTA) was born they slip in another amendment. This amendment allows Haiti, which really isn’t in the deal, the benefits of CAFTA running finished cotton fabric to the

United States

duty free. Of course, you guessed it; all they are doing is running the

China

conflict cotton through the island. It is so massive that when the earthquake struck

Haiti

you may remember that Chinese 747 jet landing there the next day and restoring their sweat shop back to full operation two days later. That is how important this conflict cotton is to some Chinese Generals and the big merchant lobby. The next time you look at a coat label and it says “Made in

Haiti

” think about this. I am saying all of this to illustrate that this lobby is capable of anything.

They have struck again and, this time it will hurt you consumers and small retailers. The saying in Illinois is “a crisis is a terrible thing to waste”. So when the banking industry went into their latest crisis it wasn’t long before something bad out of Illinois was bound to happen.

Piggy backing off the infamous Dodd – Frank Bill (an overreaching, knee jerk piece of massive regulation) came the Durbin Amendment. It is named for its sponsor, Senator Richard J.

Durbin, Democrat –

Illinois

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an effort to increase their profits, the merchants have been able to place a limit on the amount

they are charged for debit card transactions. The free market had an average of 44 cents per transaction. Now card companies are limited to 22 cents per transaction.

While this is another big windfall for the major merchants, it is devastating to small retailers. That is because debit card companies used to give merchants discounts on debit-card fees they pay on small transactions. But the Durbin Amendment placed an overall cap on the fees, and the banking industry has responded by eliminating the discounts. With the normal margins greatly shrinking, the discounts that card companies would share with their retailers have now disappeared. "Businesses with small dollar transactions, like a coffee shop, are suffering under Durbin", says Beth Robertson, Director of Payment Research for the Javelin Strategy and Research group, "Under the new fee structure, retailers pay 22 cents for each \$8 dollar transaction. Prior to the swipe fee limits, a purchase like that would have cost them 14 cents." On the other hand, big retailers are racking in big bucks. Prior to Durbin, \$1,000 purchases would have cost a merchant \$15.02 in fees. They now only have to pay 72 cents per transaction.

Don't think for one minute that WalMart, Target, etc. will be passing these savings on to you. Ha! That money will be reported to their stock holders. Our small stores will have to "bite the bullet" or raise their pricing accordingly. For example, Popular Red Box, the vending machine for DVD rentals, is increasing its price from \$1 to \$1.20. Consumers will pay for the consequences of the Durbin Amendment. Many small retailers will probably have to close some of their stores to offset or adjust to the increased costs.

The Durbin Amendment is evil! Like the conflict cotton situation, the National Black Chamber of Commerce is committed to fighting this situation. We will not let it pass by us. We encourage all of you to join in and inform your congressional representatives that this amendment is not good for the economy and hurts the common man. The emergence of the debit-card is a fine and positive alternative to check cashing and payday lending operations. It gets our new consumers into the banking system and teaches them how to budget and manage their precious cash resources. This Durbin Amendment puts it under attack and threatens the financial future of millions of up and coming consumers and entrepreneurs. We do not need adverse, mean spirited and tricky legislation to become another economic parasite to our communities.

We need good policy. Bad policy should be quickly removed and the Durbin Amendment is in our "pockets" munching on our precious money. Let's repeal the Durbin Amendment. In God's name, REPEAL THE DURBIN AMENDMENT!!

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