credit or money to poor credit risks simply because the person is employed and subject to garnishment.

Madam Chairman, the question of garnishment has a significant importance for me. The Wall Street Journal of March 15, 1966, reported that one of the largest steel companies in the world—Inland Steel Co.—headquartered in my district, has about 2,000 employees whose wages are garnished each payday, and that annually, Inland pays out more than a half million dollars of withheld wages to creditors. I would like to point out here that Inland does not discharge employees for garnishments, but rather seeks to help them work their way out of financial difficulties. The same article reported that the Cook County Circuit Court of Illinois issued more than 84,000 garnishments last year, 15 percent more than in 1964 and 72 percent more than in 1961. The marshals of the municipal courts of Los Angeles County, Calif., served nearly 15,000 wage garnishments in the fiscal year ending June 30, 1966, up 6 percent from the prior year, and garnishments there this year are running at an annual rate of 122,000. The article added that court officials in New York, Cleveland, and other big cities also cite rising garnishment totals.

With this in mind, I was more than happy to cosponsor this legislation containing a garnishment prohibition section. Shortly after the bill was introduced, I wrote to Inland Steel, asking for their comments on the bill, as well as the garnishment section. I ask unanimous consent that the reply from Inland Steel be placed in the record at this point.

(The material above referred to follows:)

INLAND STEEL CO.,
August 3, 1967.

HON. FRANK ANNUNZIO,
House of Representatives, Subcommittee on Consumer Affairs, Committee on Banking and Currency, House Office Building, Washington, D.C.

DEAR CONGRESSMAN ANNUNZIO: Mr. Joseph L. Block, Chairman of Inland Steel Company, has asked me to reply to your letter of July 29, 1967 concerned with H.R. 11601, the proposed Consumer Credit Protection Act, of which you are a cosponsor in the House of Representatives. You were good enough to enclose a copy of the proposed legislation along with a summary of it.

The provisions of the proposed bill which have a direct relationship to our operation are those requiring full disclosure of credit terms and prohibiting the garnishments of wages. We are in favor of both of these provisions in the bill.

While we are aware that it may be contended that full disclosure of credit terms may often fall on deaf ears, we believe that many wage earners for the first time will learn the full extent of the cost to them of credit extended and consequently may be less inclined to assume additional credit obligations that they cannot reasonably carry. Certainly full disclosure of credit terms can do no harm to the buying public. Probably we cannot assess the full advantage of disclosure until we have experienced it in practice.

Wage garnishments constitute a heavy and costly administrative burden for this Company. In fact in your above-mentioned letter you referred to certain statistics about Inland that appeared in a *Wall Street Journal* article of last year. For your information we do not pursue a policy of discharging employees on account of garnishment actions or even in the case of repeated or excessive garnishments. Quite apart from the administrative burden that garnishments impose on any large-size company, we believe that this repayment device may well lead to the extension of credit to wage earners in situations where credit more reasonably might be withheld and in fact serves to enhance the credit problems to which many employees find themselves subject.

Perhaps also should be added the observation that garnishment actions constitute an undue burden for our courts which are already severely taxed by other kinds of litigation.