Agency adopted it at my suggestion in much of their literature. This did not seem to hurt the purchase of homes or the real estate business.

I will frankly admit, however, that somewhere along the parliamentary route I fully expected to run into a roadblock on this issue and I was ready to throw this provision overboard, if it became necessary, to insure passage.

The case for including home mortgages, however, has been greatly strengthened by the current practice of discounting these mortgages at given rates. If one agrees to pay 6 percent on a $10,000 mortgage for 30 years, but with a discount of 5 percent, and hence receives $9,500 in cash, the real interest rate which he is to pay is not 6 percent, but 6½ percent over the full life of the mortgage and 6⅔ percent if he pays out in 12 years. If discounts could be eliminated by letting the stated rate become the market rate—and I am more and more becoming in favor of that—the case for including real estate mortgages would revert to the original purpose of knowing the total paid out in interest over the life of the mortgage. Until this is done, however, there will be a double advantage in knowing the annual rate as well as the total amount.

5. I think Mrs. Sullivan's idea of a public commission on consumer credit is excellent, and I am sure also that none of us want this to be used as a substitute for a good bill. It should instead be supplementary and a means of exploring new ground.

6. In theory I approve of title II of H.R. 11601 which prohibits the garnishment of wages. A century and a half ago, as John B. McMaster shows in his "History of the United States," there were tens of thousands of men put in jail up and down the Atlantic coast for the nonpayment of debts. I spent a few days in the Congressional Library, over 50 years ago, looking up those cases and I was startled to find enormous numbers of men during the late 1820's and early 1830's who were in jail sometimes for debts of less than $1. In a number of cases it was for a debt of 1 cent—1 penny—and in jail the prisoner was not able to earn anything for the support of his family. The movement of Jacksonian democracy in the 1830's and 1840's abolished this practice. That was one of the great contributions of Jacksonian democracy along with public schools.

Garnishing wages has destructive results very similar to imprisonment. It often causes men to lose their jobs and shuts off needed income to their family.

But whether this prohibition should be put into effect now, and on the national rather than the State level, is another matter which I must leave to you. I am informed that only three States have such a provision at present.

7. The next important provision in the Sullivan bill is the imposition of an 18-percent ceiling on consumers' loans.

I am compelled to say that I do not favor this provision for a variety of reasons. First, it has been my belief that if the borrowers and buyers could only be informed of the real cost of credit that the measure would then largely become self-policing—particularly when accompanied by double liability—while the abuses would also be largely self-correcting. Publicity and complete comparability of rates and amounts would drive down usurious charges. And it would