

to buy beyond any conceivable means of meeting the installments on their purchases. We have it right in this city, and I understand at this moment that the Washington Board of Trade is trying to find ways of correcting this evil.

Unfortunately the victims come from the lowest economic strata in our society.

Mr. STEPHENS. I appreciate your bringing that forward because I believe there is a Federal responsibility about overselling by a person who is making the sale as well as responsibility in trying to protect the consumer who is making a purchase from excessive charges, at least to let him know what he is getting.

I do think that we ought to look into that matter also, and I like your expression, "pressure credit," where people are oversold and where this happens. I know from the experience of my nephew who worked for a bank. The bank had an arrangement with a company whereby the company would make a sale and would sell the contract to the bank. The bank took the responsibility of repossessing, if necessary, the purchased merchandise. In one instance, my nephew was called upon to go out and repossess a grand piano. He went out to this house in Atlanta. It was a two-room house. One room was filled with the grand piano and he asked the logical question of the purchaser.

He said, "What in the world did you want to buy a grand piano for when you have a two-room house and your income is of such a low level?"

The answer was, "Well, I just always wanted a grand piano."

The man who had sold him that was using pressure tactics. He had no idea of finding out whether or not the man could buy it and I think, Madam Chairman, I hope part of our investigation here will bring out more of the responsibility of a lender to find out whether or not the purchaser can pay on the installment basis.

Mrs. SULLIVAN. May I say, if the gentleman will yield, that this is a part of the reason why a prohibition of garnishment of wages is in this bill—to make the seller just a little more careful about the kind of credit they give to people who have great desires but not the financial ability to fulfill those desires by paying for them. If they can buy what they desire so easily, without worrying about how to repay then it is enticing them into buying something which they are too weak to resist.

Mr. STEPHENS. One question I would like to ask, Mr. Biemiller. You are advocating provisions of H.R. 11601, as opposed to the lack of provision of S. 5, about finance charges under \$10. I would like to know if you know the reason why that was left out of S. 5? What are the reasons advanced for it being left out of S. 5?

Miss DRAPER. As I recall this, the idea was that it would be less burdensome on small merchants if they didn't have to worry about the finance charges on relatively small amounts. However, our problem is, we think, it will create evasion. I suspect the revolving credit in particular would benefit by this provision. This is not a stated reason. The stated reason was to ease the burden on small merchants.

Mr. STEPHENS. Let me get into the field of garnishments just a minute.

I was very much interested in what you said about having no official position on that at the present time.