

cluding the largest company we have, and there is in—theirs is identical to that.

Mrs. DWYER. Thank you.

Mrs. SULLIVAN. Mr. Gonzalez?

Mr. GONZALEZ. Mr. DeShazor, on page 5, at the bottom of the page, you state:

With respect to garnishment of wages, the same point applies. The possibility of restriction of credit extension by reputable credit grantors is very real with the resultant rush to the loan sharks by those least capable of paying the exorbitant and already illegal rates.

You do have outlets in Texas?

Mr. DESHAZOR. Yes, sir.

Mr. GONZALEZ. And in those States which, either through constitutional or statutory prohibition, prevent garnishment of wages?

What is your experience there?

Mr. DESHAZOR. Well, I would like to say at the outset—I was seated here yesterday when comments were made on garnishments and I think therefore there have been abuses on garnishments. I think most of us would say that there hasn't.

On the other hand, we feel that where a customer has the capacity to pay and where he does not do so, that there have to be remedies available.

Now, as you review the individual States you will find that the creditor remedies vary considerably by State. The National Conference of Commissioners has done quite a bit of work lately on consumer-protection features of what they intend to recommend versus creditor remedies.

In one State there is only one remaining creditor remedy available to the creditor. Now we, through many agencies, attempt very hard to avoid overpressing and using garnishments where it is a real hardship on that family. As a matter of fact, just 5 weeks ago in Detroit, Akron, and a number of areas where they are having problems, we issued a corporate policy to the effect that these people were not to be pressed for these payments, that they were to be asked to come in and work out whatever arrangements they reasonably could, and this would apply in Texas or anywhere else, so that I think most reputable businesses would not use these remedies such as garnishments and all of these things except where they have to, because obviously when you do you have lost a customer. It is far better to educate that customer in the wise use of this credit. We all participate in that, too.

Mr. GONZALEZ. The only point there, though, is that in enacting laws we cannot consider that they are going to be carried out by angels. We have to assume that they will be carried out by the worst depraved men. Your statement is pretty fixed and determined against any possibility of a national enactment with respect to garnishment of wages and statistically these States having these prohibitions show the least amount of consumer bankruptcy as far as statistics are concerned. As far as the corporate practice, it is fine, and I am sure Montgomery Ward is considerate and humane. But that is not the point. In enacting a law we cannot take it from the standpoint that only angels and well-intended corporations are going to be involved.

Mr. DESHAZOR. I agree with you and I think my associates would agree that first, and one good source of this I think that probably