

Secretary TROWBRIDGE. Mr. Fino, since this is one of the provisions in H.R. 11601 which is well beyond the disclosure aspect of the bill, I think we ought to wait on that. It just seems to me in all candor that the declaration of an emergency situation by the President with his eye only on the credit side of the economy would be, I think, meeting only part of the problem and I would guess frankly that if things got to the point where the President had to declare an emergency the proposal would probably include provisions on wages, prices, credit and other aspects of the economy.

I think therefore, my own personal opinion would be that to provide this standby authority at this point would be premature.

Mr. FINO. You also agree that the provisions for garnishment of salary should be held up also, is that right?

Secretary TROWBRIDGE. I personally would agree to that.

Mr. FINO. So when you take those two provisions out, are we not going back to S. 5?

Secretary TROWBRIDGE. As I understand there is quite a significant difference in some of the exemptions that S. 5 provided in the disclosure area which H.R. 11601 closes as exemptions. I think H.R. 11601 is a stronger bill, I think that it sets up some benchmarks which are good benchmarks in our competitive economy and I think that it is a preferable bill.

Mr. FINO. That is all.

Mrs. SULLIVAN. Mr. Gonzalez?

Mr. GONZALEZ. Mr. Secretary, have you had a chance to look over the provisions in this bill with respect to garnishment of wages, salaries?

Secretary TROWBRIDGE. I am a recent expert on some of the questions of this bill, Congressman Gonzalez. I don't really mean to underline the word "expert," either.

The question of garnishments is one which again I would favor deferring for more concentrated study. I realize that there is a very large amount of salary garnishment in the private and public sectors of the economy. It seems to me that we have to know what the impact of such a prohibition would be.

Mr. GONZALEZ. I come from a State that has a constitutional prohibition. It goes back to the days when Texas was really a populist State. It still is substantially, but some people think it is not. My contention is that it is pretty much in the Constitution and in the Constitution you have the real consumer protection of that day. The Texas constitution, which is the 1875 constitution, for instance, has homestead provisions, a homesteader is exempted from foreclosure except taxes and one or two other exemptions. A man's tools of trade—the utensils, all of those are by constitutional definition exempt, and along with that is garnishment.

Now, do you find there is any difference in availability of credit in those States that have this type of prohibition such as Texas and the few others—Florida has a similar provision, not the same but similar—do you find there is any difference in the availability of consumer credit in Texas and these other States as compared to the States of the type that have some type of garnishment?

Secretary TROWBRIDGE. If I could I would answer your question. I just don't know what the comparison between the States is in consumer credit availability.