

Well, when we showed him what had happened—how this man who had gone into bankruptcy and left big debts in New York as well as here, the store checked further and then reported back to me, with some embarrassment, that after they learned that the man was married and came in to buy furniture and they assumed he was setting up a household in a new place, he would need furniture, and he had a job, so they didn't go as far as they should in finding out about his credit. All they checked was his account with the same store in a New York State town.

Well, this man was smart enough to know that he could go from State to State and we have 50 States to go through before he is caught up with. All he needed was one good credit reference—just one—to give whenever he applied for credit and apparently everyone he applied to just checked that one reference. It goes back to the original idea I had 15 years ago that I think we ought to have a central spot in the United States where all credit risks can be cleared. If we can have a central roster on social security and all our income that comes in is recorded on a social security form, we ought to have some place—and I do not say the Government necessarily should do it, some good credit firm could do it—where we would have a nationwide credit agency and when anyone has so much credit outstanding that it reaches a certain amount of his income he could not get credit until he reduced what he owed. That would put a credit limit on some of these “credit addicts.” I know it sounds a little unorthodox. But I think all we have to do today is look at the experience of the bankruptcy courts and see the tremendous number of personal bankruptcies today and how they are increasing year after year. Frankly, this is one of the reasons prohibition of garnishment of wages is in the bill. We must emphasize this in some way—and I am sorry now that the press table is almost cleared—but we must have some way to emphasize what this easy credit is doing to people who have great desires but not the ability to pay for the fulfillment of their desires from their income. We keep on making credit so easy for them to get, knowing they can never pay it back. But a law of this kind on garnishment might have some effect with those who give too freely of this easy credit, and make it possible for those of us who do pay our bills to pay lower prices and not to have to continue to pay prices which make up the debts of those who are just buying and using and never paying.

I have some very short questions I would like to ask you, Mr. Harding.

If you cannot answer them now you can answer them in writing when you get your transcript.

One, do you have any facts to indicate, or do you feel, that the people at the poverty level suffer more from unscrupulous lenders, garnishments, and so forth, than do those above the poverty level?

Mr. HARDING. The only facts that I think we have, Madam Chairman, are really indirect facts and may relate to the figure which Sargent Shriver quoted to the committee during his opening statement.

The number of cases that are being brought into our legal services offices involving this type of situation indicate to us an outpouring of these problems just recently afforded an opportunity to be exposed.