

Mr. STEPHENS. At this point, would the merchant that these people in rural communities deal with have service charges on any accounts?

Would they not be small stores where they would just carry it until they could pay it? They would not have any credit arrangement in a small store, would they?

Mr. HARDING. I think my experience would be, Mr. Stephens, that there are perhaps some not involved, but they have credit arrangements in the rural areas. This is in hardware stores.

Mr. STEPHENS. I am talking about the country grocery and general store or something of that nature. They would not be extending credit on which they would charge interest.

Mr. HARDING. Perhaps in the grocery situation you are correct, but in the hardware situation there would be a credit charge, even in the rural areas.

Mr. STEPHENS. In hardware.

Mr. HARDING. Yes.

Mrs. SULLIVAN. What standard does your office use in terms of income to determine the extent of poverty in the United States? How many families or individuals, according to this definition, have you classified as living below the minimum levels of health and decency? You could supply that for the record.

Mr. HARDING. We would be happy to supply you the detailed standards we use and they are based upon standards developed by the Social Security Administration.

Roughly they come out to about \$3,000 for a family of four and our current figure is about 29.7 million people in this country that are at or below that poverty level.

Mrs. SULLIVAN. Let me go back to the wage garnishment issue.

On March 15 of this year the President asked that a study of wage garnishment be carried on by the Departments of Justice and Labor and the Office of Economic Opportunity. The President, in his message, stated that hundreds of workers among the poor lost their jobs and most of their wages as a result of garnishment proceedings. In many cases wages are garnished by unscrupulous merchants and lenders whose practices trap the unwitting workers.

We see a note of urgency in respect to this study and I am sure you do, too.

Mr. HARDING. It is my understanding that the report of the joint group with whom we are working on this issue will probably be rendered some time this month.

Mrs. SULLIVAN. I hope so. One other question I want to ask the Secretary.

Mr. Secretary, you appeared to have said that we must wait until we are in a national emergency before Congress should start thinking about any standby credit controls. Some of us do not think we should wait for the near panic of a war situation but should try to prepare now for any danger to our economic system. Is not now the time to think about the kinds of controls which would be needed then? That is all we are trying to do here, to provide standby authority—to organize such a system to be used only if absolutely necessary. We now have the authority in law to ration all critical materials and take other extreme steps to assure defense production. Can we not trust the Federal Reserve Board to use some sense in using standby credit controls?