

I think this particular approach should have fruit in the area.

While I have the opportunity I would like to comment on Madam Chairman's remarks about garnishment, if I may, with one thought.

Many of the people have become bankrupt at the time the loan was made with good credit risks. Their past credit history was good, their ability to pay was satisfactory. Frequently marital difficulties would come along, the family separates and the sense of responsibility for that loan suddenly disappears and this is a strong contributing factor to bankruptcy. Without recourse to the individual's assets, without recourse to his income I don't know how we could collect. There must be some way to effect collection in those instances, as well as others where credit was granted on a legitimate basis.

Thank you.

Mr. GONZALEZ. Thank you very much. I did not have in mind a willy-nilly doling out of loans by banks—of course not. But, for instance, we still do not know what, if any net result has come about from the announced intention on the part of the administration to have equal employment opportunity compliance officers in the banking section. I know that very little if any identification has been had by the established banks in some of the communities that I am very well acquainted with with so-called minority groups even as to employment within the bank. If a family does not have economic means it cannot get the education. If it cannot get the education it cannot get the economic means. We have to find a way to break that. I personally feel if we could somehow marshal and galvanize the private sector of the community, not let the governmental responsibility go, necessarily, but galvanize the private sectors and I mean banks and everything else, then perhaps you really would have a stake in the full community and perhaps we would not have to sit by and wait until the thing is destroyed to realize that we have to do something.

In that connection, the Comptroller, for instance, the year before last ruled that the national banks in his opinion, and in his interpretation of the Federal law, were entitled to charge the highest permissible rates of interest even with small loans that are allowable by State law. Well, in States such as ours, even with the adoption of this Consumer Protection Law, it is still legal—and ironically enough in those areas in which high interest rates should be less—to charge as much as 230 percent. He would say that a national bank would be entitled to compete with the small lending institutions, loan companies defined by the small loan act of that State which means that the banks could charge conceivably up to 200 or so odd interest percentage charges.

I did not hear anybody from the national banking segment disagree or criticize the Comptroller's opinion. And I would think that there is a responsibility there on the part of your organization as well as other spokesmen for the banking industry to say:

Look, Mr. Comptroller, it is all right for you to look out for the bankers' interests that are legitimate and should be protected, but for you to say that the national banks have reached the point where, in order to stay in the swim they have to go in and compete with the specially regulated small loan companies is ridiculous and besides, unconscionable. It is legalizing what for centuries has been defined as usurious.

Mr. WALKER. How many loans did they make, Mr. Gonzalez?

Mr. GONZALEZ. It depends.