ruptcy at Los Angeles and, as you may know, the State of California alone has approximately 40,000 bankruptcy cases a year, just in that one State.

Referee Moriarty served from 1950 to 1958 as an attorney in the Department of Justice at Washington, D.C. in the civil, criminal, and internal security divisions. From 1958 to 1963 Referee Moriarty was an assistant U.S. attorney at Los Angeles, Calif., and was appointed referee in bankruptcy on January 21, 1963.

I would like to only briefly review the situation as it appears nationally in reference to the volume of bankruptcy cases. I cannot speak specifically to this bill policywise because it has not been considered by the Judicial Conference of the United States which is the policymaking body for the Federal judiciary and until the Judicial Conference does consider the bill and take a policy position you will understand that I cannot speak policywise with respect to it.

In the fiscal year ending June 30, 1967, a total of 208,329 bankruptcy cases were filed in this country. This is an enormous volume of business in our bankruptcy courts when you consider that at the close of World War II there were only slightly more than 10,000 cases a year filed in the country.

One of the startling things about the 208,000 cases is that 92 percent of them are filed by consumer bankrupts and only 8 percent are business cases. The increase in 1967 fiscal year was almost 16,000 cases or 8.3 percent. We had the same percentage increase in the prior year. This is the 15th consecutive year in which there has been an increase in the number of bankruptcy cases filed in our Federal courts. As a matter of fact, there has only been 1 year since World War II when there wasn't an increase over the prior year and that was in 1952 during the Korean conflict.

I have been asked about the total liabilities in these so-called consumer bankruptcy cases. We do not publish these statistics any longer because they are not strictly accurate. They were recorded in our statistics as a total of claims as filed by the bankrupts and we have learned by experience that they were not accurate. Sometimes the claims are understated, sometimes they are overstated, sometimes claims are left out entirely. But as nearly as I can estimate in the 116,407 no-asset cases closed in 1966 fiscal year, the total liabilities were $1,242,000,000. So there is a great deal of money involved in even the small no-asset consumer bankruptcy.

Now Madam Chairman and members of the committee that concludes my general statement. If there are any questions the committee members would like to ask me I will do my best to answer them.

Thank you.

Mrs. SULLIVAN. Thank you, Mr. Jackson.

I think that it might be preferable if each of the witnesses would give their statements and then let us question all of you at the same time. If there is any particular item, as you are going through your statement, that the members want to ask short questions at the moment, I think we could do it. But it might be better if we hear the statements and then begin the questioning.

Would you start, Mr. Whitehurst?

Mr. WHITEHURST. Madam Chairman, members of the committee, in view of what Mr. Jackson said I will skip my background except