

proper rearing of their children. This, they cannot do when one or two creditors insist upon being paid first by garnishing their wages.

Consumers throughout the Nation should be given an equal opportunity of working out their credit problems without being driven to desperation and bankruptcy through garnishment of wages.

May I just point out one or two illustrations to show you how bad it is in Oregon, Oregon, by the way, has one of the highest per capita percentage of bankruptcies in the country. And the garnishment of wages is 50 percent.

Just the other day I had a bankrupt in court whose back was broken 3 years ago in an industrial accident. For over two years he and his family had existed on compensation from the industrial accident commission. Then for 6 months or more, on job training he became skilled for technical indoor work. Very soon after he obtained full-time work and was rehabilitated and was released from the accident commission his salary was garnished and being unable to maintain his family and meet the debts of his past misfortunes he resorted to bankruptcy in order to obtain a new start in life.

It is not unusual for a collection agency to garnish the wages of some handicapped person trying to earn his living at the Goodwill Industries in Portland. In fact, the welfare commission sometimes will pay the filing fee for a bankrupt in order that he can get a new start in life to rehabilitate him.

Thank you very much.

Mrs. SULLIVAN. These are the things, Mr. Snedecor, that I am glad you brought out. It is such examples as these that have shocked many of us. I just want to ask one think at this point.

One of our members of this subcommittee from Pennsylvania, Mr. Williams, has indicated in his questioning of some of the previous witnesses that elimination of garnishment would work a hardship on business and would deny credit to people who need it most.

Now, his State, according to what you have said, Mr. Snedecor, has had such a ban for how long?

Mr. SNEDECOR. 120 years.

Mrs. SULLIVAN. I am sorry he is not here today.

Mr. SNEDECOR. Not even the bankers or small loan companies that use garnishment to such an extent. It is collection agencies who take the dregs from our overexpanded economy, things that have been charged off and particularly deficiency judgments and put in the hands of a collection agency for 50 percent of the amount they can collect. That's where all of this comes from.

Mrs. SULLIVAN. Is that the same as a confession of judgment?

Mr. SNEDECOR. No, a deficiency is where they take the automobile and sell it out wholesale and then sue for the balance of the purchase price plus attorney's fees because that is in there, too. And often those deficiency judgments will be \$1,500 on an automobile.

Mrs. SULLIVAN. Some of the questions that I wanted to ask you have been partially answered but I am going to read into the record now so that when you read the transcript you can elaborate upon the things that you have mentioned in your statement. I will just read these into the record and have you answer in writing.

I wonder if you gentlemen or you, Mr. Snedecor, could provide us with some basic information as to the type of individuals or families