ments commence, their only hope is to seek relief from the bankruptcy court.

From my observation of individuals filing bankruptcy petitions in Knoxville, I believe the following reports a fairly accurate picture: 80 percent are men, 20 percent are women; 81 percent are married, 15 percent are divorced; 4 percent are single, 90 percent are blue-collar workers; 15 percent had filed bankruptcy petitions before median age 30. Median education, 10th grade. Average income, $60 per week. Average number of dependents, 4. Average indebtedness, $4,000.

The $60 average income of bankrupts indicates that it is the lower income group that is resorting to the bankruptcy court for relief, that it is this group generally whose wages are being attached. In other words, the individuals whose wages are being garnisheed are the very individuals whose total wages are required for the payment of necessary living expenses: food, clothing, shelter, and medical expenses.

I would like to point out three examples which have come before the bankruptcy court, not necessarily pertaining to garnishment but dealing with consumer credit protection. These were actual cases that appeared in bankruptcy court dealing principally with the loan transactions in Tennessee.

In Tennessee the "flipping" of loans is not illegal. In 1958 the final report of the legislative counsel of the 80th general assembly had this to say about such practice:

> Industrial loan and thrift companies freely engage in the practice of "flipping" whereby a borrower who has repaid a portion of a loan is allowed to make or is enticed to make another loan whereupon the new loan is set up combining the new amount with the old balance on which all allowable charges have already been made, and the full amount of allowable charges is again imposed on the new balance.

Here are some of the results of flipping of loans.

First example: A widow with $60 weekly income borrowed $1,685.72 repayable in monthly installments over a 3-year period. She was charged interest amounting to $427.68; investigation fees, $117.79; insurance premiums, $232.85; or a total charge of $776 on a $1,685 loan.

Another example: A divorcee with a 2-year old daughter to support earning $52 a week negotiated three loans with the same loan company within a period of 4 months and received a total of $347.06. The cost of these loans was $252.94.

Third example: The debtor negotiated five loans with one company during a period of 11 months and received the total sum of $1,548.02. Interest charges on these loans amounted of $716.58; investigation charges $185.04; insurance premiums, life, accident and health and property insurance, $678.41; and recording fee, $9.50. Thus for receiving the sum of $1,548.02 the debtor obligated himself to repay $3,137.55. The debtor was a blue-collar worker earning some $50 a week. That case came before me in a chapter XIII proceeding in which I went into all these charges, wrote an opinion and reduced the loan company's claim from some $2,900 to $1,511.01. I would like to file a copy of that opinion.

Mrs. SULLIVAN. Without objection we will put it in the record.

(The opinion referred to may be found in the appendix, p. 962.)

Mr. BARE. In "An Analysis of Economic and Personal Factors Leading to Consumer Bankruptcy" prepared by the Bureau of Busi-