continued to this day. With the conclusion of WWII many of our fighting men, having spent time in California either in training or in transit to the Pacific theatre of operations, found in California a way of life which they desired; and at the conclusion of World War II the influx of new residents reached its peak. This steady flow of persons has continued to this date. We have welcomed these people and they have made our State the most populous in the nation and they have contributed much to the industrial growth of California.

Many of our new citizens came to California without jobs and heavily in debt, so we inherited the problems that they thought they left behind. From personal experience I can state that I have presided at hearings on a Bankrupt's petition in which not one single California creditor was listed.

Of equal importance has been the relaxing of credit restrictions. Individual debt, not so long ago was discouraged and regarded with suspicion, is now encouraged. More than encouraged, debt today is merchandized as extensively and skillfully as any commodity, notwithstanding occasional pious reminder to "never borrow money needlessly". The communication media that touches a family's life constantly urges it to buy on "easy" terms, to open charge accounts with "nominal" monthly service charges, to get a new car at "bank" terms, travel now and pay alter—whether the family can afford it or not.

Many researchers in the field of consumer credit have concluded that a person can become addicted to excessive credit buying just as one becomes addicted to alcohol, narcotics or gambling.

I would like to relate one very interesting experience which points up how easy it is to obtain credit. Shortly after I became a Referee in January 1963, I had a hearing on a Bankrupt's petition. The Bankrupt was a Seaman 2/c stationed at the Long Beach Naval Shipyard. He listed approximately $2,000 in debts of which over $1,700 was owing to one of the better known department stores in Long Beach. During the course of the examination of the Bankrupt the Court inquired as to the nature of this indebtedness and was advised by the Bankrupt that between December 1 and December 15, 1962, he had purchased over $1,700 worth of merchandise to be sent to his relatives and friends back East as Christmas presents. While you might say that the gentleman had a little larceny in his heart, I think you might have some criticism of the department store for being so lax in their credit procedures.

As a Referee I do not like to see creditors sustain losses but I must conclude that in most cases the creditor has in many respects created the very problem from which his loss arose. Each of us are paying for these losses when we pay our monthly bills. The creditor merely adds to the normal price a sum sufficient to write-off these losses.

Reference is now made to some specific California Statutes which relate to the legislation before this Committee

GARNISHMENTS

In the recent session of the State Legislature which has just completed its deliberations, several bills were introduced to tone down the effect of garnishment of wages. The fight for this legislation was led by freshmen members of the Assembly.

One bill, introduced by Assemblyman David Roberti, had for its purpose the prohibition against discharging an employee due to the garnishment of wages. This bill passed the Assembly but was defeated on the floor of the Senate. Another bill, introduced by Assemblywoman Yvonne Brathwaite, passed the Assembly by one vote but was killed in the Senate Finance Committee. This latter bill originally provided for the exemption of one-half of "net earnings" or the first $100, whichever is greater. By amendment the term "net earnings" was deleted and the $100. limitation was reduced to $70. This bill would also have prohibited garnishment of wages before judgment.

I have talked with members of the Legislature and have been advised that opposition to these bills came from collection agencies, small jewelry shops and neighborhood furniture stores. There was no noticeable opposition from banks, doctors, small loan companies (one actually endorsed the amended bill which passed the Assembly) or department stores.

The current failure came after an Assembly Interim Judiciary Committee studied the subject and concluded:

"[A] revision of the law which will increase the debtor's protection by way of exemption and which will make that protection more modern and equal