

I, too, would like to join my colleagues in extending our deep appreciation to you gentlemen for coming to Washington to give us the benefit of your experiences in the bankruptcy courts.

On one particular section of our bill, which is the garnishment section, you have been very constructive and it will not only assist us but I will be happy to join other members of the committee, including the chairman, to inform the administration people that you people are available through your testimony if they need advice in carrying on this study.

I introduced for the record yesterday the exempt percentage for each State and we have had the legislative director of the American Federation of Labor and CIO before this committee and do you know that this national labor organization doesn't have a national policy on garnishment of wages although 50 States have some sort of garnishment law, so the problem is very, very serious.

At this point, Madam Chairman, I would like to insert in the record a study recently concluded in Chicago. This is a study of consumer credit litigation. I think this brief study is extremely revealing and I would only like to point out to the subcommittee that of the cases surveyed, the study shows, for example, that there are instances when over 280 percent in charges were assessed against purchasers of used cars—235 percent on purchases of radios, TV's and hi-fi sets, 105 percent on purchases of furniture, 199 percent on purchases of clothing.

I am putting this into the record because I think it is important for all of the American people to realize what they are really being called upon to pay in interest charges on their credit transactions.

Mrs. SULLIVAN. Without objection we will at least make this part of the committee record. Whether or not it gets printed in the hearings will be determined later. In any event, it will be part of the subcommittee records. It sounds like extremely useful information for us to have.

Mr. ANNUNZIO. I would like also to make another brief statement before I ask a question.

The point was made that the Internal Revenue Service uses garnishment to collect taxes. The fact that the Federal Government uses this procedure doesn't make it right as far as I am concerned. I would like to read 2 paragraphs taken from the Wall Street Journal.

One payday in January, auto worker Carl W. Clark discovered his entire week's take-home pay of \$112.39 had been turned over to the State of Indiana for delinquent State income taxes. Beset by debts, he asked officials at Ford Motor Co.'s plant in suburban Chicago Heights, Ill., for his accrued vacation pay to tide him over.

Next payday, he learned Indiana—the State where he used to live—had received \$208.84 out of his \$363.93 in wages and vacation pay. The 24-year-old father of a young boy, not knowing how much he owed Indiana tax collectors, (the two deductions actually satisfied the claim) became despondent over the pay loss. Two days later, Carl Clark placed a .22-caliber rifle under his chin and shot a bullet into his brain.

That bears out the tendency of suicide that was mentioned before.

Based on these statistics that I have read, from the study made by the chief judge of the Circuit Court of Cook County, at the present time what have been some of your experiences in handling bankruptcies where usurious rates of interest were charged?