

But even more widespread, though better hidden from public awareness, is the number of people whose wages are attached or garnisheed because of debts. Several million wage earners a year suffer such garnishees. Various cities such as Chicago, Washington, Birmingham, Detroit, Akron, Portland, Oreg., and others, have reported anywhere from 12,000 to 100,000 garnishees a year each.

Just as an informed guesstimate I would say there are somewhere between 3 and 6 million garnishments a year.

Often the debts for which these workers are garnisheed were incurred through deceptive selling tactics as evidenced both by examination of specific cases and because a high percentage of garnishees are filed each year by the same sellers and finance companies in various cities, such as Chicago, Detroit, and so forth.

Even when families do not reach the bankruptcy or garnishment stage, the habitual installment buying indulged in by about half of all families, causes a steady erosion of family income.

In my statement I show some figures which you have probably heard before about how much faster consumer credit has risen in the population, and income and so forth.

I make this point, that in the 10 years from the mid-1950's to the 1960's, the country's population increased 18 percent and disposable income rose 59 percent. But installment debts jumped 130 percent. Not only are American families buying more goods on credit, including small items traditionally bought for cash, but they are paying higher finance rates and taking longer to pay.

A family that usually carries \$2,000 of installment debts very likely pays in the neighborhood of \$300 a year in finance charges, or a total of about \$9,000 over its major buying years. This family, if it is carrying a \$16,000 to \$17,000 mortgage on its home at 6 percent for 30 years, will pay an additional \$20,000 just in interest fees on the mortgage. Altogether a typical wage earner today works 4 or 5 years of his life just to pay interest fees on installment debts and mortgage.

Of all the omissions in the Senate bill, perhaps the least understandable is that the dollar amounts of mortgages need not be shown. The excuse given is that people would be discouraged from buying homes if it were shown that the total interest on the mortgage amounts to more than the cost of the home itself or more than the mortgage. I don't think we need to fool people into buying homes and I don't think people are going to stop buying homes. They have very little choice.

I think this is almost an immoral omission, let alone a very foolish one.

I want to address myself particularly to two sections of the broader bill you have offered—the inclusion of revolving credit in the requirement that true annual interest rates be disclosed, and the prohibition on garnishment of wages.

There is real danger in omitting revolving credit from coverage. It is true that revolving credit represents only 5 percent of all consumer credit. But it is the fastest growing kind.

Sears, Roebuck, one of the earlier and most active promoters of revolving credit, now does approximately as much business on re-