impress upon private business the responsibility to be honorable and just and fair and socially minded in its credit policies, even while these characterizations, in my considered judgment, do not apply to the credit and monetary policies of our Federal Government, and above all, to the policies of the Federal Reserve System. The policies of the Federal Reserve System have perpetrated a veritable outrage against low-income borrowers from 1952 to date. The wrongful attitude of the Federal Reserve people is well indicated by their unwillingness to assume the responsibilities that this legislation would impose upon them.

I am not in favor of the protests against the abolition of garnishment, because I believe that garnishment is a clear example of people who are unable to protect themselves that are being subjected to much more rigorous penalties and procedures than others much higher up on the income scale who have many ways of avoiding analogous remedies; and for the same reason, I am against or I would be against legislative prohibition of assignments of wages.

Goodness knows, the people who are affluent or rich have countless ways of assigning their income and property for legitimate and illegitimate reasons, and prohibition of assignment of wages would represent the tendency of tightening up most on those who need help most.

I would like to say just a few words about the relationship between the credit policies embodied in this bill and the more general question of credit and interest-rate burdens and policies, because I believe that this relationship is controlling in many respects. There is naturally, under the very nature of our economic system, a spread between the interest rate charged on Federal obligations, the interest rate charged on State and local obligations, the interest charged on home mortgages, the interest rate charged on business loans, and the interest rates charged on consumer credit. Consequently, so long as the Federal Government persists deliberately in a long-range policy of tolerating an upward trend in the interest charges on its own borrowings, although it is sovereign and ultimately controls the money supply, it is a major culprit in the increased interest burden being imposed all along the line by everybody else.

In order to show this more clearly, and how it relates to the specific problem now before the committee I am going to cite a few facts and computations that I have made in the course of studies I have undertaken over many years.

First of all, today, looking at the increased interest charges in the Federal budget alone, representing aplication to the actual debt of the interest-rate increases since 1952, when, in my view, the infamous "accord" between the Federal Reserve Board and the Treasury took place, the annual interest charge against the Federal budget now in 1967 is about $6 billion higher than if the 1952 level of interest rates had been maintained.

Applying the same method of computation, the increased interest costs to State and local governments are now more than a billion dollars a year. The increased interest costs to all private borrowers, including borrowers on consumer credit, are now running at an annual rate of $10 to $12 billion. Thus, the American people are now paying these increased interest costs at an annual rate of from $17 to $19 billion. And