

And it has risen rapidly in recent years." But the President went on to point out that—

... the march of technology that has brought unparalleled abundance and opportunity to the consumer has also exposed him to new complexities and hazards. It has made his choices more difficult. It has made many of our laws obsolete and has created the need for new legal remedies and safeguards.

This admonition is particularly pertinent to the need for consumer credit and wage garnishment legislation.

This concludes my statement. Assistant Secretary Peterson and I welcome the opportunity to respond to any questions you may have.

Mrs. SULLIVAN. Thank you very much, Mr. Secretary.

I am delighted that you have brought Mrs. Peterson along. We are all very well acquainted with all of her talents and I am certain that either you or she can answer all of our questions.

I have just three short questions that I would like to ask and then as I said before, we will divide the time so that each member can have 3 minutes apiece to question the Secretary.

Mr. Secretary, we have had some very, very fine witnesses in these past 2 weeks on this garnishment problem.

Last Friday we had five gentlemen from the Federal court bankruptcy system, including four who are referees in bankruptcies. Their testimony was extremely enlightening and yesterday we had a Harvard professor of law who discussed some of the details that should be considered in writing this legislation. It was very helpful and they consulted with our counsel before they left.

Garnishment is a big problem, and I agree it is a problem that needs a lot of consideration, but it is a definite part of the overall picture of consumer credit because the misuse of credit so often results in garnishment and then, in turn, in personal bankruptcies.

Mr. Secretary, are you aware of a 1965 study done by the National Industrial Conference Board which showed that of the employees surveyed 43 percent had a policy of firing their employees in instances of repeated garnishment?

Given the fact, as one witness estimated for us the other day, that there are upwards of 4 million wage garnishments per year and in view of the clear policies of so many employers to fire workers who have been garnisheed, this would appear to have a serious impact on our economic stability, do you not agree?

Secretary WIRTZ. Yes, I would. There are a number of such studies which we have been looking into and surveying.

The NICB survey suggests figures that are in line with others. We are trying to arrive at a figure of the number of people who lose their jobs in this country as a result of garnishment. I can't tell you yet what that figure is, but I can give you the range. We think it is some place between 100,000 and 300,000.

That is the magnitude of this problem. It was reflected, too, in November 1966 when we went into the slum areas in 10 different cities to find out what unemployment looked like—not statistically but on a much more intensive basis. I think it was really the results of that study that brought this subject into such sharp attention. We found in those areas one of the significant factors is garnishment.

More people explained their unemployment on the basis of garnishment than their police records, which brought us up short.

Mrs. SULLIVAN. It is my understanding that in most States where an employer fires a worker because of garnishment the worker is