

Mr. BINGHAM. Thank you. I, too, would like to welcome you, Mr. Secretary, and Mrs. Peterson. I have the greatest admiration for work you are doing.

I would just like to make a couple of quick comments and then ask one question. My comments are that I think in this matter of dollars and percentages, it is in the use of dollars that the great abuses occur.

On a small loan of \$50, \$5 does not sound like much, but it is actually 120 percent. But people with very little education will come up with a jolt if they are told they are going to pay 120 percent per annum.

As to the work of your committee, it's nothing new that garnishment does not affect the volume of credit transactions. That was pointed out effectively by our witnesses last Friday but we also discussed at some length the California Law Review article in December 1965 which quotes studies from the Associated Credit Bureau going back to 1963 pointing out there is no correlation visible in the amount of installment credit and consumer credit that is used and the toughness of the garnishment laws. I realize you hadn't had an opportunity apparently to study these matters.

Secretary WIRTZ. You are wrong, Mr. Bingham. I am familiar with the article.

I don't believe there is a difference between them and I don't believe the testimony springs from ignorance. I stated as clearly as I could the fact that the studies revealed no reduction in the use of credit when these things come in.

Mr. BINGHAM. I thought you said you were surprised by the testimony.

Secretary WIRTZ. I still would retain the feeling that when you remove a loose credit device there is going to be some reduction in the use of credit. But I would like to make the record clear that my information, limited as it may be, coincides with yours as stated previously in the record that there is no evidence in any State in which garnishment has been abolished of a reduction in the use of credit.

I repeat that statement.

Mr. BINGHAM. I would like to ask you what your position is on the enforcement provisions contained in the Sullivan bill, 11601, that is the proposal for administrative enforcement that is not present in the Senate bill?

Secretary WIRTZ. Well, it is in general, Mr. Bingham, that the provisions in the Senate bill are adequate but are going to have to be watched. I have some concern, which I assume your question reflects, about leaving the remedies up to the individual who is involved here. I think especially in this situation that is going to present some question.

As between the two bills I would personally take the stronger enforcement provisions of H.R. 11601, but as in the case of other additional features of the bill, practical considerations are involved. I think I view either proposal with enough confidence to go along with it, but with the understanding that there might need to be improvements in the future.

Mr. BINGHAM. Thank you, very much.

Mrs. SULLIVAN. Mr. Halpern?

Mr. HALPERN. Thank you, Madam Chairman.

First, I wish to commend the distinguished Secretary for his forthright testimony and for giving us the benefit of his views. I am cer-