

wish to go over to the House floor now and have their names recorded and then come back, they may be excused.

We are going to continue here until we get through with the witnesses.

Mr. ABEL. In many States the labor movement is trying to get the State legislatures to pass laws to prevent discharge due to garnishment. Where there is an organized plant the discharge is subject to the grievance procedure and arbitrary discharge is prevented. But what about the many unorganized low-income workers who are most subject to the blandishments of easy-money advertisement. What recourse do they have where there is no union to protect them. At the very least, there should be a Federal law prohibiting the discharge of employees because of garnishment.

In some cases the tenacious lender pursues the employee into another State jurisdiction where there may be more liberal garnishment laws. One steel corporation has actively pushed a bill in Congress to prevent the courts of the District of Columbia from issuing a garnishment decree which is not consistent with the State law in which the worker resides and draws his income. For instance, the State of Pennsylvania prevents garnishment but it is of no avail to the worker if the District of Columbia courts can attach his wages.

Strong testimony was given to you by a group of referees in bankruptcy wherein they attest to the fact that in those States where there is no garnishment there is a drastic reduction in the number of personal bankruptcy cases.

According to Mr. Elmore Whitehurst, Texas:

It is my considered judgment that it is the result of these prohibitions and not a mere coincidence that the bankruptcy courts in Texas have a far less number of wage earner cases than states of lesser population which have severe garnishment statutes.

Furthermore, there is no evidence that a prohibition of garnishment of current wages has by any means put loan companies out of business. It has not happened in Pennsylvania. We are confident it will not happen elsewhere.

The experience of many of our State labor federations at the State legislatures indicates that a Federal law is necessary. In some States there is absolutely no protection.

In others, there are various degrees of protection. Only three States—Texas, Florida, and Pennsylvania—have a total prohibition. It is now time to have a uniform Federal prohibition. I, therefore, urge that this committee retain the antigarnishment provision of H.R. 11601.

I would like to conclude right here and have in the record the remainder of the statement. I did want to touch on our position with respect to garnishment provisions of the bill.

Mrs. SULLIVAN. We are very happy that you did, Mr. Abel.

Your full statement will be placed in the record at this point.

(The statement and additional material referred to follow:)

STATEMENT OF I. W. ABEL, PRESIDENT, UNITED STEELWORKERS OF AMERICA

My name is I. W. Abel, I am President of the United Steelworkers of America which is an organization comprising over a million and a quarter working people. I appear before you to support the principle, incorporated in H.R. 11601, that all finance charges, involved in consumer credit, be converted to