

\$426,000. "It would have been necessary for at least 75% of the 433 families we were servicing to have taken bankruptcy had our service not been available," says Charles E. Williams, president. Generally, the business-supported counseling services don't charge fees.

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REVIEW AND OUTLOOK—THE VIRTUE OF PROFLIGACY

Among Inland Steel Co.'s 22,000 production employees in the Chicago area, nearly 10% have a portion of their wages withheld every payday to pay off delinquent debts. While the Inland workers probably aren't typical of the whole population, their dreary credit record helps point up a growing national problem.

Consumer credit outstanding has nearly doubled in the past seven years, rising to nearly \$90 billion. Though most Americans use credit responsibly, an increasing number are submerging themselves in overdue obligations; the result, as a recent story in this newspaper reported, can be personal tragedy, even suicide.

Obviously, then, a cause for serious concern, and yet some of the approaches to the problem seem incapable of offering anything like a full solution.

Labor unions and other groups are urging new laws to defend beleaguered debtors, and perhaps certain changes are needed. It seems excessive, for instance, to allow Federal and state tax collectors to seize a man's entire paycheck or to permit Kentucky businessmen to take all but \$16.87 a week.

There's more than a chance, however, that the process of legal change will go too far. As a number of businessmen and other creditors are arguing, the nation has come a long way since the days of debtors' prisons; personal bankruptcy laws and other statutes now often make it possible for debtors to avoid paying most or all of their legitimate obligations.

Any further legal revisions surely should be fair to creditors as well as debtors, and not only for reasons of equity. Credit is essential to the present-day economy, and many businessmen simply may not extend it if laws are passed to unduly weaken their ability to collect from customers.

Even-handed debt-collection laws, in any case, clearly can't make all Americans use credit rationally. Nor will it help much to require, as the Administration proposes, that all lenders state credit costs in the same way. If a consumer is foolish enough to overburden himself with debt, it won't matter greatly whether his credit costs are high, low or in between.

More productive might be an extension of credit education through the nation's school, a process that is already under way. Something can be said, too, for stricter enforcement of present laws to curb deceptive and dishonest lenders; they may be a small minority, but there's no question that they exist.

Beyond that, a lot of quite reputable businessmen can't escape a share of the responsibility for the troubles in consumer credit. High-powered advertising and promotion has helped produce vast changes in public attitudes toward debt over the past three or four decades. Maybe it was overly puritanical to consider borrowing almost a sin, as many of our fathers did, but the pendulum now perhaps has swung too far in the other direction. In not a few business establishments today a customer who wants to pay cash finds himself regarded as a bit peculiar.

In their own interest, lenders could stand a stronger dash of self-restraint. By paying a little less attention to boosting their business and a little more to a borrower's actual ability to repay, they not only would protect their own solvency but possibly head off new restrictive legislation.

It's more than slightly ironical that the source of some of that legislation probably would be the same Federal Government whose own carefree fiscal and monetary policies have done so much to foster an easy-come-easy-go philosophy among the public. The way Washington has been living it up, it may be surprising that a large proportion of the population still remains free of credit woes.

Many of these fortunate ones, of course, are sustained mainly by the present high level of prosperity. If more widespread trouble is to be averted in some perhaps not distant future creditors, debtors and the Government all had better get over any notion that profligacy now is a positive virtue.