INLAND STEEL CO.,
August 3, 1967.

Hon. FRANK ANNUNZIO,
House of Representatives,
Subcommittee on Consumer Affairs,
Committee on Banking and Currency,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN ANNUNZIO: Mr. Joseph L. Block, Chairman of Inland Steel Company, has asked me to reply to your letter of July 29, 1967 concerned with H.R. 11601, the proposed Consumer Credit Protection Act, of which you are a cosponsor in the House of Representatives. You were good enough to enclose a copy of the proposed legislation along with a summary of it.

The provisions of the proposed bill which have a direct relationship to our operation are those requiring full disclosure of credit terms and prohibiting the garnishment of wages. We are in favor of both of these provisions in the bill.

While we are aware that it may be contended that full disclosure of credit terms may often fall on deaf ears, we believe that many wage earners for the first time will learn the full extent of the cost to them of credit extended and consequently may be less inclined to assume additional credit obligations that they cannot reasonably carry. Certainly full disclosure of credit terms can do no harm to the buying public. Probably we cannot assess the full advantage of disclosure until we have experienced it in practice.

Wage garnishments constitute a heavy and costly administrative burden for this Company. In fact in your above-mentioned letter you referred to certain statistics about Inland that appeared in a *Wall Street Journal* article of last year. For your information we do not pursue a policy of discharging employees on account of garnishment actions or even in the case of repeated or excessive garnishments. Quite apart from the administrative burden that garnishments impose on any large-size company, we believe that this repayment device may well lead to the extension of credit to wage earners in situations where credit more reasonably might be withheld and in fact serves to enhance the credit problems to which many employees find themselves subject.

Perhaps also should be added the observation that garnishment actions constitute an undue burden for our courts which are already severely taxed by other kinds of litigation.

We hope the foregoing comments may be helpful to you in your consideration of the proposed legislation.

Needless to say we are grateful to you for your thoughtful letter in soliciting such observations as we might care to make.

Sincerely yours,

GEORGE A. RANNEY,
Vice President and General Counsel.

SPECIAL REPORT: DISCHARGE FOR GARNISHMENT

A worker's going into debt, like other off-duty conduct, generally is no business of the employer. But if bad debts result in garnishments, arbiters tend to treat this the same as on-duty misconduct and uphold a management policy requiring discipline for garnishment.

This is one of the findings of a survey of published arbitration awards undertaken by Robert W. Fisher of the Labor Department's Bureau of Labor Statistics. His report, "How Garnisheed Workers Fare Under Arbitration," appears in the May issue of the *Monthly Labor Review.*

In all of the cases examined, the arbiters found that management had the right to discipline garnisheed workers, even in the absence of a formal rule, Fisher finds. But in about half the cases, the arbiters nevertheless refused to go along with discharge decisions.

In treating garnishment as in-plant misconduct, the arbiters note that employers naturally want to avoid the inconvenience and expense of extra bookkeeping, the necessity of filing written returns to the attaching office, and the need for company representatives to appear in court.

Thus, each case of discipline for garnishment is tested against the usual yardsticks for determining just cause: (1) Was the rule reasonable and well-