a state court—the problem lies in letting the bankrupt know that a contest is necessary. But in any event it is more likely that a legally trained person will communicate with the suing creditor before a default judgment is entered.

Another proposal to reduce the default judgments in post-discharge proceedings would be an amendment requiring a bankrupt to personally waive the affirmative defense of his discharge decree in open court. If the creditor failed to have the bankrupt present in the state proceedings, the bankrupt would have grounds to collaterally attack or reopen the case when the creditor attempted execution on the judgment. This procedure would deter the unscrupulous creditor from prosecuting actions in the state courts gambling on the bankrupt's ignorance of the need to affirmatively plead the discharge.

Thirdly, it has been suggested that credits who are listed on the schedule of debts owed by the bankruptcy petitioner be required to give notice of their intention to later object to the dischargeability of the debt in the state court. In this way, the debtor's attorney could either arrange to represent him in the later suit, or at least explain to the debtor that he must appear and plead his bankruptcy discharge as a defense. A possible shortcoming to this recommendation might be that every creditor would file such a statement of intention to protect himself and leave the door open should he later decide to sue on the debt. To eliminate or reduce this problem, it might be possible to charge a filing fee as security. Such measures would serve to reduce the number of statements filed as a matter of form, but even if they did not, the fact that such a statement was filed should be sufficient to alert those concerned.

The problem of post-discharge actions could be alleviated by giving the Federal Bankruptcy Court jurisdiction over all actions which relate to debts involved in bankruptcy. The Bankruptcy Court would issue a partial discharge decree listing all provable debts which have been discharged in bankruptcy; this adjudication would be *res judicata* in any state court action on the debt. Any creditor who wished to challenge the dischargeability of his debt would object in the federal proceeding or be barred from any further actions on the debt. If any new evidence tending to establish nondischargeability came to light after the bankruptcy proceeding, the federal court would take jurisdiction at the bankrupt's option.

An alternative proposal accomplishing many of the same goals could be utilized in the states. A simple administrative procedure for laying the bankruptcy decree out in the state records could implement the effectiveness of the dscharge. The bankrupt subsequent to discharge would be instructed to take the decree to a state agency established specifically for the purpose, pay a minimal filing fee, and have the discharged debts recorded in the state records under his name. The creditors would be notified and given a period to object to the discharge. After expiration of the period the dischargeability of these debts would be *res judicata* in the states also.

If a creditor wished to challenge the dischargeability of his debt, he would have to file suit during the prescribed period or be forever barred. Proper recording of a debt could be pleaded as a defense to execution of a default judgment on a suit filed after the prescribed period for filing. This procedure, however, would not eliminate the ignorance problem—the poor bankrupt might still fail to plead the debt recordation defense in the execution proceeding. It also seems unnecessary to burden the bankruptcy process any more than it is already. The added expense and administration makes this a less desirable alternative than those proposals which utilize the federal court to eliminate post-discharge problems.

Another recommendation is to provide more frequent bankruptcies for certain classes of consumers. It might be possible to permit bankruptcies every three years for persons who earn, say, less than $4,000 per year. Most creditors cancel accounts unpaid for three years anyway. Furthermore, such a change hopefully would force lenders into more responsible and cautious credit policies in this highrisk area. Knowing that they can only pursue their high-pressure collection techniques for three years at the most, the "schlockmeisters" may be less willing to sell products to just anyone who wanders in.

As indicated earlier, a debtor is not discharged on debts arising out of fraudulent misrepresentations made in receiving credit, provided the creditor relies in some way on such statements. Possibly the reliance aspect of this requirement should be made more stringent, so as to necessitate complete reliance by the creditor on the statement in order to prevent the debt from being discharged. As the laws stand now in some jurisdictions, partial reliance is sufficient, even