maximum of 18 percent serve to encourage a wider bootleg money market? Would it intensify the activities of loan sharks in ghettos? Most importantly, would it leave the poor, who already pay more, with no legal alternative but not to buy at all except for cash? A national credit maximum is a worthy goal but I do not believe it can be imposed by legislation alone. What we need to develop are alternative credit systems, resourceful outlets through which the poor, or might I say, the unmoneyed, the people who do not ordinarily live on cash, can buy, participate and act as full-fledged consumers in the economy. Through the Mayor's Consumer Council, we are now fostering such alternative credit systems. We are trying to develop credit unions in poor communities, helping them organize and pool resources which, if spent individually are pitifully meager, but if conserved jointly can command more resources as well—such as an initial investment in a credit union until a revolving fund can be established.

We are helping to sponsor buying cooperatives which help the consumer to make cash transactions which his individual purchasing power would not allow but which cooperatively can command a fair share of the market. We are encouraging and helping major financial institutions and retail organizations to extend credit creatively and economically in those communities where they do not now operate. In short, if we are going to take any measures that would have the effect of cutting off credit—however exorbitant—from the poor—we have a parallel duty to provide better alternatives for the poor to get credit.

Our Consumer Council has also taken up the question of garnishment of wages, which would be prohibited by your bill. As you know, in New York State garnishment is limited to 10 percent of wages, and furthermore we have now effectively barred the vicious practice of dismissal from employment for reason of a single garnishment within a given year. On the one hand, wages are the only collateral the working man or woman can put up under present credit systems. On the other hand, the garnishee, which attaches wages at the source can be seen as the ultimate weapon of the creditor against the wage earner. As your bill states, correctly, garnishment frequently constitutes a burden on Interstate Commerce. Isn't it proper to ask whether its prohibition would constitute an equal burden on commerce, particularly by removing the only collateral the non-moneyed wage earner can offer to a prospective creditor. In effect, can we make such a prohibition without, at the same time, providing alternative systems of credit, alternative means of meeting the limited credit needs of the poor.

We are not talking of the poor alone. On the contrary, we are talking now about a national phenomenon that affects all people—the credit economy. I am struck by the fantastic and alarming growth of bankruptcy in New York City. In the Southern District Court, which includes Manhattan and the Bronx, a total of 2,609 personal bankruptcies were filed in 1966; interestingly that same year there were 1,435 business bankruptcies filed—just a little more than half of the personal bankruptcies. The rate of Business bankruptcies has declined fairly steadily from 2200 in 1961 to 1435 in 1966. The rise in personal petitions reflects the national figures as well. In 1961 there were 15,241 business petitions filed in bankruptcies across the country. In 1966 the figure rose, but only to 16,430. For the same years, personal petitions in bankruptcies, including wage earners, rose from 153,125 to 204,185 last year. I think this says something about our economy and our society. We are paying the price of greed. With our society so oriented towards the production, acquisition and accumulation of material goods, it is hard to turn around and tell people to reorient their own lives and own spending patterns. It is particularly difficult to tell the poor, who are already at a disadvantage, to impose upon themselves the further disadvantage of not buying because they lack the cash. Of all commodities, credit is probably the most undemocratically distributed. Those who require it most have least protection. Is the poor family that longs for a television set as its only means of recreation, to have less opportunity to buy one, than the middle class family that routinely buys a car on monthly terms or a home on a 30-year mortgage?

While we cannot legislate against greed—the greed of those who profit by the acquisitive urge of others must be curbed. These measures therefore, stringent as they may be, merit our support not only for the protection they afford the consumer of credit, but for the values they can help to instill in the American economy and society. If this measure helps curb the acquisitiveness of Americans who buy at rates they really cannot afford, and more importantly would punish the greed of those who prey on that acquisitiveness that affects us all—rich, poor and middle class alike—it merits our complete support.