the time limit for the exercise of claims against the seller after notice of assignment of an installment contract. The present system of consumer credit is in need of reform; it is archaic; it is the primary cause of the economic chaos of our low-income families; and it is greatly responsible for the frustration of the low-income Americans who live in ghetto areas. This committee must consider the needs of these people in drafting and acting on new legislation. It is now the time for Congress to take action to protect the *consumers* in our society.

Congressman Bingham, I salute you and your colleagues for conducting these very important hearings and I thank you for indulging my appearance.

I have read to you, gentlemen, in great detail my views.

It is my understanding that what I should do here is summarize my views. I have not done so in detail, but you will get it from that which I am reading.

The CHAIRMAN. I notice in your statement that you do express a very strong support for the Federal prohibition of wage garnishment.

It has been suggested here earlier today, and at the hearings we have had at Washington, that stopping garnishment would reduce the availability for credit, particularly for the poor.

As you undoubtedly know, there are three states that don't have garnishments, Pennsylvania, Florida and Texas, and they apparently suffer no such trouble.

Borough President SUTTON. Exactly. Those are states that don't have garnishment.

I introduced similar legislation in the State Legislature in 1962 and '66. The argument is if we restrict garnishments we would not have free lending for the public.

Let me say there are persons who should not have credit, and I am for this for persons who are unable to pay.

Let me say this: In any other state it does not prove a restriction on credit

The CHAIRMAN. We are grateful for your suggestion for additional protection, that there should not be repossession.

I think this is the first time we have had this kind of prohibition.

Do you feel that this is something that should be undertaken on the Federal level or is it better on the State and local level?

Borough President SUTTON. I think it would be much easier for you to do this at the Federal level, than it would be for us to do it on a state by state level.

I believe there is ample Federal involvement for our doing this at the Federal level.

The CHAIRMAN. Thank you, very much, Borough President Sutton.

Congressman Halpern?

Congresman HALPERN. First I would like to commend our very distinguished witness, the Borough President of Manhattan.

You have given excellent testimony, and I have had occasion to look over your prepared presentation, as I have sat here, and it contains some of the soundest arguments I have seen for this bill, and I am certain it will be a valuable addition to our Committee's record, and hopefully for the shaping of a very effective bill.

We have heard that deceptive credit factors have been a significant contributor to unrest and ultimately to violence in the low-income areas of our City.

Would you say that is so?

Borough President SUTTON. Yes. I don't go with those that say riots are caused by——

Congressman HALPERN. Yes, I know.

Borough President SUTTON. I am sure of this, sir, that a short survey has shown that those cities where riots have occurred, that in those stores that were thought to be gouging by credit or cheats, those are the stores to be the first victims of the rioters.

I can say this, first, that while it may not be one of the major contributors, that is a part of the creating of the timing of apathy and depression that exists in a ghetto.

The high interest rates, the gouging, and too often the gouging and cheating that occurs in the low income communities, is a fact that contributes to the alienation that comes.

Congressman HALPERN. Do you feel that consumer ignorance has played a more significant role in deceptive practices?

Borough President SUTTON. I think I should tell you, sir, I come from the ghetto, and I practiced law all of the years I practiced law on 125th Street.