We will now hear from Mr. George Canaris, for five minutes.

STATEMENT OF GEORGE CANARIS

Mr. GEORGE CANARIS. Mr. Chairman, I represent the Young Voters League of the Lower East Side.

I presume that Mr. Kennedy was here this morning, speaking for—I must say that I was impressed with a man of this sort who never had worked for a living at all, one of the richest men in this country, who spoke for the poor people and seems to know what he is saying.

It seems to me that he is a good politician.

On Friday I read the Times and they said that the HFC, Household Finance Corporation, is on the stock market and it jumped 10 points overnight.

I am trying to say, sir, that our organizaton of the poor people in New York are against garnishments because poor people, usually, are put into those general finance companies, they usually consider them poor risks as a rule and usually give them ten times as much as anybody else.

The way we see it, the unions never make sure that a man essentially needs the money and has to buy something, will get money because his kids is in the hospital. They make their funds available.

The union comes over here, but won't do anything with the monies they have. The finance companies never tell you how much profit they make on this. They come in and say somebody has to pay.

In any business—in other words, the majority of the people of the City of New York are poor people working for a salary and there is no guarantee that the salary will continue to go on year after year after year. So, therefore, if you try to sell them something, and everybody is trying to make money, and cause them to buy something, and take them to court, and then they get dispossessed. I think it is wrong.

A poor man can never hire a lawyer, because a lawyer says to him, "I want cash on the line." So a poor man gets stuck with this.

Those people, they won't tell you how much he is making. So what we are saying is this thing that is done in the local, the salary, the old people, it is bad.

Thank you very much.

The CHAIRMAN. Thank you, Mr. Canaris. Next we have Waverly Baker, who is former Director of the Credit Union for Sperry Gyroscope.

STATEMENT OF WAVERLY BAKER

Mr. WAVERLY BAKER. Thank you very much, Mr. Chairman.

I did not anticipate speaking today, and it is only as a result of a comment made with regard to credit unions that I felt it necessary to speak at this point.

For eight and a half years I have served as the director of the largest Federal credit union in the State of New York and the seventh largest in the United States.

During this period of time I acted as legislative liaison for our Board of Directors and in this conjunction I have visited Washington several times, including the period in 1959 when the Federal Credit Union Act was revised.

I feel that the comments made by the earlier witness to the effect that the credit unions would be destroyed by this legislation was contrary to my personal experience with regard to some $10,000,000 in annual loans made by Americans.

Our Board of Directors was confronted with the question what to do about garnishees of wages, and we were also confronted with the problem of what to do with people who were no longer members of the Sperry Company, but who remained eligible for membership in our organization by virtue of the Federal law.

I am able to say that during our eight and a half years that we were successfully able to devise a method of direction, without resorting to any features that I feel will be denied under Title II, with regard to garnishment of wages.

I feel it is fair to say on the basis that credit unions would be harmed by this provision of the bill, and I wanted to make it a matter of record. As a person I feel that the Committee is correct in offering the Congress an opportunity to ban or prohibit garnishment of wages.

Thank you, very much.

The CHAIRMAN. Thank you, Mr. Baker.

Congressman HALPERN. I want to thank you, Mr. Baker.

Mr. Baker has attended many hearings in Washington on matters pertaining to the consumer, and I am certainly glad he took the opportunity to get up and speak out at today's hearing.