

I note, too, the great service the Subcommittee has performed by bringing forward for public debate the other proposals contained in H.R. 11601, including

- An 18% limitation on credit charges;
- A prohibition against "confession of judgment" clauses;
- Authority to regulate credit for commodity futures contracts;
- Authority to restrict consumer credit during national emergencies;
- Establishment of a National Commission on Consumer Finance; and
- A prohibition against garnishment of wages.

It is no compromise of principle, however, to give reasonable recognition (which means no more than is practically necessary) to the part which time insists on playing wherever there is change to be made.

I accordingly urge the enactment now of the truth-in-lending provisions of H.R. 11601, with consideration of further safeguards given its separate timing.

A decent regard for a companion principle of truth-in-testifying prompts my saying a little more, however, about one of these further safeguards which has become the subject of particular attention in these hearings.

Perhaps my personal attitude about *garnishment* is influenced by having grown up in a family which was in the retail furniture business, but which was dead set against the idea of calling the law in to go after a customer's earnings. It seemed to the man who ran that store some way unfair to throw that much weight against anybody he did business with. Perhaps it was a small town morality—possibly even tinged with the realization that in that kind of community you count on doing business with the same person more than once. But I think it involved a more basic ethic, and a sense of the wrongness of ever letting institutions—and "the system"—get too large an advantage over individuals.

Perhaps, as Secretary of Labor, there is bias in the view that anything which results in the unemployment of people who are most in need of employment is wrong unless it is proven right on some more fundamental basis. When we surveyed the unemployment situation in ten slum areas last November, an astonishing number of people who were out of work listed their garnishment records as one of the reasons they couldn't get a job.

Whatever the explanation, I found basis for great satisfaction in President Johnson's saying, in his March 14 Poverty Message to the Congress:

Hundreds of workers among the poor lose their jobs or most of their wages each year as a result of garnishment proceedings. In many cases, wages are garnished by unscrupulous merchants and lenders whose practices trap the unwitting workers.

I am directing the Attorney General, in consultation with the Secretary of Labor and the Director of the Office of Economic Opportunity, to make a comprehensive study of the problems of wage garnishment and to recommend the steps that should be taken to protect the hard-earned wages and the jobs of those who need the income most.

This study is well along. It is not completed. It has to be, for whatever corrective action is taken in this area should be the right action; and some of the questions about dealing with garnishment are not easily answered:

Whether outright and unqualified abolition of garnishment is the right course; or

Whether tax debts and family relation obligations should be exceptions;

Whether only a minimum wage should be protected;

Whether the correction should be (although I think not) a prohibition not of garnishment but of discharge for having your wages garnished;

What, if anything, to do about wage assignments; and

Whether the commerce or the bankruptcy power can be more wisely used here.

Nor is it possible yet to be confident regarding what treatment of garnishment will prevent the development of some alternative procedure—just as garnishment developed as an alternative to imprisonment for debt.

The President has indicated his purpose to pursue "the steps that should be taken" to remedy the garnishment situation. The remaining question is how to do this. As strong as my own feeling about this practice is, I think it is constructive counsel that the garnishment issue be handled separately—after the truth-in-lending issue is disposed of, and after the garnishment study is completed—so that we can be certain that the corrective action is right and effective.

As President Johnson stated in his Consumer Message, "The American consumer today enjoys the highest standard of living ever experienced in the world.