could be made more effectively by an appropriate agency of the Executive Branch or Committees of the Congress.

The Department is especially interested in two other provisions of this proposed Act which would affect wage earners directly—the prohibition of the garnishment of wages in Title II, and the prohibition of notes authorizing the confession of judgment against the debtor (cognovit notes) in Title I, Sec. 203 (m). Your Committee is to be commended for recognizing the gravity of this situation and bringing it to public attention by including it in H.R. 11601.

The loss of wages through garnishment has worked great hardship on wage earners and the growing number of personal bankruptcies has become a serious problem. As the President said in his message to Congress on the War on Poverty, delivered March 14, 1967, "Hundreds of workers among the poor lose their jobs or most of their wages each year as a result of garnishment proceedings." He stated that he was "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 jobs of those who need the income most." This study is now in progress and, although no final conclusions have been reached, I appreciate the opportunity you have given me to discuss this general problem before the Committee.

In summary, the Department of Labor strongly supports "truth-in-lending" legislation. It is our hope that final action can be taken in the present session on the provisions for the full disclosure of consumer credit charges which we have all sought for so long.

The Bureau of the Budget advises that it has no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

W. WILLARD WIRTZ,
Secretary of Labor.

OFFICE OF THE DEPUTY ATTORNEY GENERAL,
Washington, D.C., August 18, 1967.

HON. WRIGHT PATMAN,
Chairman, Committee on Banking and Currency,
House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request for the views of the Department of Justice on H.R. 11601, a bill entitled "Consumer Credit Protection Act."

The bill consists of four titles. Title I would require the disclosure in a simple form of actual finance charges or interest rates on credit extended to consumers. Title II would prohibit the attachment or garnishment of the salary of any employee. Title III would create a Commission on Consumer Finance to study and report to the Congress and the President on the functioning and structure of the consumer finance industry. Title IV contains a severability provision.

The Department of Justice favors the enactment of the provisions of Title I of the bill which are consistent with the "Truth-in-Lending" recommendations contained in the President's message "American Consumer Protection." (H. Doc. No. 57, 90th Congress)

Inasmuch as Titles II and III are not directly related to the purposes of this legislation, we recommend that they be separated from the bill in order that they not delay consideration of consumer credit disclosure legislation by your Committee.

The Department believes that the penalty provisions of the bill could be strengthened in two respects. Section 206(b) provides that any person who "knowingly and willfully" fails to make required disclosures shall be subject to criminal penalties. This requirement of specific proof of willfulness substantially increases the difficulty of establishing criminal violations of the Act. Where the nature of the acts prohibited is clearly defined in the statute, criminal intent may be presumed from the fact that the prohibited acts were committed. It is not a requirement of fairness or constitutionality that the Government prove specific intent to commit the acts prohibited by this bill in order to impose criminal penalties. Special proof of willfulness is not required in other welfare regulations enforced by criminal sanctions. See, e.g., the Federal Food Drug and Cosmetic Act, 21 U.S.C. 333(a).