The project which was turned down in the conference as a feasibility study was considered the transfer of water from the Pacific Northwest to certain other areas of the country. I would certainly hope that some day in the very near future the Bureau of Reclamation would be authorized to undertake that study.

Mr. Johnson of California, Mr. Speaker, I yield such time as he may consume to the gentleman from California, Mr. Patman.

Mr. REINECKE, Mr. Speaker, I would like to point out a few more things regarding these particular studies.

The study here is actually a re-consideration rather than a feasibility study.

The problem that the other body had on this simply that a re-consideration study does not require congressional authorization whereas feasibility studies are required to have congressional authorization.

So what we were doing on this was something that they have the authority to do without legislation.

The Senate decided this might establish a precedent, so that sometime in the future certain agencies might use it as a shield to avoid re-consideration studies.

The reason I offered this amendment in the first place is simply because we are not able to get adequate recognition from the Bureau of Reclamation on this particular project. We added this as a sense of Congress and that sense I think has been adequately expressed.

Now I feel the report that the Senate has accepted rather than to write this study in as an amendment, so that the Bureau must either report by December 31, 1970.

This covers a project which is proven satisfactory, could be a very important factor in solving the water problems of the Southwest as well as a possible means of cleaning up polluted rivers all over the country.

While I did not like to give up on the language in the House bill, nonetheless the intent has been accomplished and that the chairman of the Senate Interior Committee has promised that he will personally urge the Secretary of Interior to carry on this re-consideration report.

Mr. Johnson of California, Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered. The conference report was agreed to. A motion to reconsider was laid on the table.

CONSUMER CREDIT PROTECTION ACT

Mr. PATMAN, Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 11601) to safeguard the consumer in connection with the utilization of credit by requiring full disclosure of the terms and conditions of credit transactions or in offers to extend credit; by establishing maximum rates of finance charges in credit transactions; by authorizing the Board of Governors of the Federal Reserve System to issue regulations dealing with the excessive use of credit for the purpose of trading in commodity futures contracts affecting consumer prices; by establishing machinery for the use during periods of national emergency over credit to prevent inflationary spirals; by prohibiting the garnishment of wages; by creating the National Commission on Consumer Finance to study and make recommendations on the need for further regulation of the consumer finance industry; and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 11601, with Mr. Parse of Illinois in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The amendment offered by Mr. Montgomery:

Amendment offered by Mr. Montgomery: On page 40, at line 6 strike out all of section 201.

Mrs. SULLIVAN. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Missouri is recognized for 5 minutes.

Mrs. SULLIVAN. Mr. Chairman, I rise in opposition to the amendment.

This title is not an appendage to the Consumer Credit Protection Act, and we cannot call many of their bills, but it is the way collection agencies often do, and it would be interesting to know the commission a bill collector charges a doctor for garnishing a worker's pay and causing his dismissal. How much of the money thus collected goes to the doctor? But I am getting away from the major issue here. I mentioned the doctors only because most of the mail to Members in opposition to this title came from doctors and bill collectors.

Garnishment is the successor to debt or's prison. Perhaps the opponents of this title of the bill would like to go back to the practice of putting debtors in jail. It is about as effective a way to render them jobless as to force his dismissal for garnishment.

We have hundreds of pages of testimony on the cruelties of the garnishment system in many States as a means not of satisfying just debts but of selling slave labor to low-priced employers for poor people who cannot afford them and who could not pay for them and then using the device of garnishment to force the courts and the employers to do the bill collecting.

How does the Federal Government get into it? Well, for one thing, we are paying heavily in Federal taxes for the operations of the bankruptcy courts in rescuing the garnished workers from financial death. We as taxpayers are footing the bill for this cycle of garnishment.

But that is only part of it. Garnishment, as cited by some of our largest corporations and by labor leaders, is one of the major factors in the disruption of production and employment. It is a major factor in labor-management discord, because dismissals growing out of garnishment frequently lead to expensive arbitration. Also, it is costly as a payroll expense to business. It is mainly the weapon of the honest merchant charged out but out of every credit sellers who hook a poor ignorant worker on credit terms which are as devastating to that worker as the dope habit—something he can never seem to lick.

Go into the lower courts—we have— and see what wonderful relations obtained by the hundreds by the same lawyers each week for the same "easy credit" houses.

If we wonder about the constitutionality of Garnishment and the appropriateness of Federal action in this matter, read the opinions of the American law section of the Legislative Reference Section, on page 1192 of the Journals of the Senate of January 25. Then read our hearings, and weep—weep for the in-
humanity exposed there about the severity of the so-called easy credit racket—not legitimate business, but the bloodsuckers of commerce.

In Tennessee the worker caught in the clutches of gyp credit could have all but $12 of his weekly pay taken away to satisfy debts that he may not even owe. I think that has just been raised a few treated lightly. The consequences to garnishment of the professional bill collectors. We can talk about the helpfulnes of the gentleman from New York (Mr. HALPERN) in support of the committee's amendment, which owes so much to the gentleman from New York (Mr. HALPERN).

In a nutshell, what the Halpern proposal—which has wide bipartisan support—does is to say that this ancient and cruel garnishment doctrine, about which Charles Dickens wrote in his novels about the debtor's prisons, should have some checks placed upon it.

The idea of wage garnishment in advance of judgment, of trustee process, of wage attachment, or whatever it is called, is a most inhuman doctrine. It compels the wage earner, trying to keep his family together, to be driven below the poverty level.

In one State, which shall be nameless, all wages can be garnished down to a $50 a month pitance. In another State it is $20 a week. In other States it is 50 or 75 percent of the little amount which the wage earner is able to earn.

Not only is it inhuman to ask people who are trying to earn a living and to keep their families together to be subject to these garnishments, but also the garnishment process is perhaps the worst thing we have for inciting and motivating unneeded and illogical credit. A merchant who knows he can garnish is very likely to induce a wage earner to overextend himself. The rash of personal bankruptcies which are an unhappy byproduct of our credit history, are still in large part due to the abuse of garnishment.

States rights have nothing to do with it. We encourage States which want to abolish garnishment, such as Texas and Pennsylvania, to their credit, have done, to continue. We encourage other States to join the ranks. Certainly, as with minimum wage and general truth-in-lending proposals, we do not wish to see any kind of moderate and sensible control over garnishment which is inherent in the Halpern amendment.

I hope the proposal to knock this out will be knocked down by a resounding "no" vote.

Mr. HALPERN. Mr. Chairman, I rise in opposition to the amendment and move to strike the requisite number of words.

Mr. Chairman, during the lengthy hearings before the committee on the subject of consumer complaints and the evidence mounted to demonstrate that the practice of wage garnishment is directly responsible for some highly undesirable, and growing economic and social ills, including the alarming increase in levels of personal bankruptcies.

Because State garnishment laws vary so greatly in the protection they offer to the debtor, and I shall explain, the consequences of garnishment can be so drastic, I feel that a Federal law in this area is vitally needed. The consequences of garnishment for the debtor are threefold, and one or more of these consequences have, with increasing frequency, led to bankruptcy. First, depending on widely divergent State laws, the debtor may find his wages completely cut off, or may be left with as little as $50 a month to support himself and family. In the debtor's Prisons, should have some checks placed upon it.

Second, the debtor often may find himself unemployed; employers are often unwilling to hire a man who can be garnished, and the debtor is likely to prey to the whole host of less scrupulous creditors of the "loan shark" class, who may initially promise an escape from his predicament and who, all too often, are only the precursors of total financial disaster.

Mr. Chairman, with garnishment merely the first step, all of these roads lead increasingly to the ultimate catastrophe of personal bankruptcy. The increase in consumer credit of about 70 percent from 1948 to 1966 has been outpaced by a rise in personal bankruptcies of over 80 percent. And the evidence indicates that garnishment has played a major role in the latter trend.

T.H.R. 11601 as originally introduced would have abolished garnishment completely. Recognizing, however, that protection of the debtor must not be accomplished by totally destroying the rights of the creditor, I introduced an amendment to restrict, rather than totally prohibit, wage garnishment. The amendment would restrict garnishment to 10 percent of income over $30 per week, and would prohibit an employer from firing an employee by reason of a single garnishment. These provisions would not affect those States with stricter garnishment laws; only these States with weaker garnishment regulations would the Federal law supercede that of the State. The restrictions on garnishment would arise under Federal and State taxes or to court-ordered family support payments.

The rights of the creditor to collect his claims in a reasonable manner have, I believe, been sufficiently protected. The lender may even find himself benefiting from such a law, for he cannot collect anything if the debtor is driven into bankruptcy. The amendment
should, also, encourage the creditor to exercise greater caution in his lending practices, to check the credit worthiness of potential borrowers, with the realization that he cannot compensate for the debtor's default by claiming as much of the debtor's income as he pleases.

The fear that garnishments are partially depriving of their "insurance" against defaults, credit might become less available is in no way borne out by the evidence from those States which either totally prohibit, or severely restrict garnishment. The majority of States, however, allow garnishment of an employee because his wages had been attached—without the debtor's consent; that is, with the consent of the community: and if garnishment were not included in this bill. Therefore, I urge that the gentle men's amendment be rejected and the committee position be maintained.

Mr. GONZALEZ, Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of title I of the "Consumer Credit Protection Act," which would greatly restrict the garnishment of wages to satisfy debts. It is the purpose of this title to eliminate the root cause of the alarming increase in personal bankruptcy, to which many honest debtors are driven in order to keep their heads above water, and continue to support their families. Garnishment of wages is consumerpeonage.

My position has been for total and outright banishment of wage garnishment. My native State of Texas prohibits all garnishment. This works well. It protects the wage earner; it does not harm the consumer credit industry.

Despite my consistent and active support of total garnishment as originally contained in H.R. 11601, the committee amended the bill to restrict from garnishment 90 percent of a worker's wage, although totally prohibiting garnishment of the first $30 per week. However, compromise is at times the better part of wisdom, and I accepted the committee amendment as a reasonable compromise, as have the minority members of the committee.

Title II as amended prohibits the garnishment of a worker's wages to extend to court-determined debts for support, not to exceed 10 percent of the worker's wage.

Title II would also prohibit the discharge of an employee because his wages had, on one occasion, been subject to garnishment.

Garnishment laws have been with us for decades. Garnishment was prohibited by the Texas constitution adopted in 1876. Pennsylvania outlawed garnishment in 1945. Florida in 1975, and the District of Columbia in 1902. More recently, North Carolina, New York, and South Carolina have restricted garnishment. Other States, including Michigan, Connecticut, and Hawaii, have at least established prohibitions against firing an employee because his wages had been garnished. Many States, however, inadequately, have established minimums or percentages of a worker's wage which are not subject to garnishment.

And it is illegal to garnish the wages of Federal employees.

The garnishment provisions of H.R. 11601 are not extreme. They substitute debt remedies for the usual collection of an array of State laws, which will be a boon both to the mobile population and companies with credit dealings in more than one State.

On the one hand, title II prohibits more than 10 percent of a worker's weekly wage above $30 from being garnished. The experience of Texas, Florida, and Pennsylvania with absolute restriction of garnishment—a total of 205 years—has not proven to be a hardship on any segment. A study requested recently from the Library of Congress concluded in this respect that—

Economic data show that the ratio of installment credit to retail trade is as high in States that do not permit garnishment as in States that do.

We learned in committee hearings of the judgment of a Fort Worth credit bureau manager that there is no more problem collecting debts in Texas than in other States. Actually, bankruptcy cases are dramatically lower in the States which prohibit garnishment.

On the other hand, title I prohibits from garnishment of the first $30 of a worker's weekly wage is also a minimum standard. States such as Illinois with a $45 weekly floor would retain their more comprehensive laws.

It is high time that our attitude toward wage garnishment caught up with our attitude toward debt. Our history books tell us that in the early 1800's tens of thousands of our citizens along the Atlantic seaboard were imprisoned for debt, sometimes for an amount as little as a dollar. But now installment buying is a way of life, and all types of stores beg the wage earner: It does not harm the consumer credit economy. There are a vast number of creditors who cater to low-income persons with credit problems. "If we take away the garnishes, we take away the most important lever of the deceptive seller" is the judgment of Mr. Sidney Marquis, the noted consumer-affairs journalist. Where a reputable credit bureau would counsel against the extension of credit, the unscrupulous creditor will make the loan under any terms he can get, knowing that garnishment will provide him with a weapon by which ever has the chance to provide for his families' necessities. What we have all too often in garnishment areas is credit deliberately given to people who will not—who cannot—afford to keep up regular payments.

I repeat, garnishment of wages is consumerpeonage. There have been cases of workers committing suicide to escape the tentacles of total garnishment, like putting a man in prison for going into debt, garnishment restricts a debtor's ability to pay. For a worker who ever heard of the wage of the affluent being attached?—to lose part of his salary often means his family will go without the essentials. No man sits by while his family goes hungry or without heat. He either files for consumer bankruptcy and tries to begin again, or just quits his job and goes on relief. Where is the equity, the commonsense, in such a process?

A Federal referee in bankruptcy from California who testified in our hearings said:

As a referee I do not like to see creditors sustain losses but I must conclude that in most cases the creditor has in many respects created the very problem from which his loss arose. Each of us are paying for these losses when we pay our monthly bills. The creditor merely adds to the normal price a sum sufficient to write off these losses.

A Federal referee in bankruptcy from Tennessee made the same point and went on to say:

If consumers are not loaded down beyond their capacity to repay, they will have funds to pay their debts. I firmly believe that the vast majority of bankrupts really want to pay their debts but, because of low sales resistance and garnishment, they are in an impossible situation and, once wage garnishments commence, their real hope is to seek relief from the bankruptcy court.

Garnishment frequently triggers bankruptcy, somewhere between 80% and 90% of the time. The same conclusion of all five of the Federal referees in bankruptcy who testified before Banking and Currency. Consumer bankruptcies reached 208,000 in fiscal 1967, leading to the cancellation of about $1.5
billion in personal debt. These figures represent not only personal tragedy for 208,000 persons, but the $1.5 billion is a significant loss to the credit industry with which some persons are connected. Virginia, with less population than Florida, has eight times as many bankruptcies. Virginia permits garnishment; Florida does not.

Ohio with about the same population as Texas, has nearly 50 times more bankruptcies. Ohio permits garnishment: Texas does not.

Tenness, with population and other similarities to North Carolina, has 25 times more bankruptcies. Tennessee until last year permitted almost total garnishment; North Carolina does not.

California with a slightly larger population than New York, has five times more bankruptcies. California permits garnishment of up to 50 percent of a workers' wage; New York has a law similar to title II. This situation caused a Federal referee in bankruptcy from Oregon to testify:

"What disturbs me most is that garnishment affords these young people with some justification for wiping out their debts in bankruptcy. I say young people because the average age of bankruptcy is 29 years and some of them come in as early as 23 and 24 and 25 years. They usually have two or three children. Many of them come to me after court is over to say that they would have been able in time to pay the just bills if they had been given an opportunity, but repeated garnishment had prevented them from holding steady jobs. Our present laws are causing them to lose their sense of obligation."

From personal observation and experience, I can assure my colleagues that the prohibition of garnishment in my native Texas has not slowed the growth of the consumer credit industry, cut down on the ratio of installment buying nor hampered the collection of debts.

The prohibition of garnishment of current wages in my State has been administered by putting loan companies out of business in Texas—

Agreed the Federal referee in bankruptcy from Dallas.

From what I have learned from other States, particularly Pennsylvania, the credit losses on consumer loans are not any greater in States prohibiting the garnishment of wages—

Agreed the referee from Oregon.

The need to restrict garnishment is simply that the wage earner must have the protection and use of his salary. The fact is that many States have not protected the wage-earning consumer. The consumer is usually underrepresented in State legislatures. While the loan companies have aggressive lobbies, I speak from my experience as a former Texas State Senator.

And the fact is that most State laws on garnishment are aodge-podge of throwbacks encouraging consumer piracy and contributing directly to the alarming increase in consumer bankruptcies.

For these reasons, I strongly urge the passage of Federal restrictions on wage garnishment, as contained in title II of the Consumer Credit Protection Act.

Mr. PATMAN. Mr. Chairman, I won-der if we can agree upon a limitation of time on this amendment?

How many of the Members would like to talk on this amendment?

I see which side has a majority. The argument about controlling the monster is for the State legislatures, except possibly in regard to processes of the Federal courts.

Mr. CHAIRMAN. Fundamentally this title is just a naked preemption of the State law without Federal authority. If this bill were to provide that only garnishment arising from claims arising in or connected with interstate and foreign commerce are to be so limited there would be some basis for exercising the jurisdictional prohibition upon the State courts. But to do as this bill does, which is to deny the power to exercise any process to help a creditor collect from a debtor in that State when the legislature of that State has considered the subject time and time again, and that the State court is to have the power because it is a uniform State law without any foundation of authority whatsoever. The memorandum from the Library of Congress in this regard states the case, and is not a valid exposition of a constitutional law, when subjected to careful analysis.

Let me give just one example and then I will end these remarks.

Suppose a State legislature wants to let hospitals use the garnishment process. Omit the doctors or the dentists or the nurses—just leave it to the hospitals to have that power in that State. Is that not properly for the State legislature? Of course it is.

The bill we are considering here denies any State legislature any garnishment power except the New York formula of 10 percent above $30 a-week.

I say this is something that we should not impose on any other State. I say this not because I suspect garnishment but because it is unconstitutional.

I urge the adoption of whatever formula or combination of formulas or amendments here that will make it clear that we are imposing this garnishment and we desire to do something to regulate it but that we are limited in how far we can go by law. We cannot, in my opinion, impose a uniform State court power in the manner proposed here today.

The CHAIRMAN. The Chair recognizes the gentleman from New Hampshire (Mr. Wyman) for 4 minutes.

Mr. WYMAN. Mr. Chairman, I understand that the gentleman from Texas announced that there would be 5 minutes given each one of the Members who were standing; is that not correct?

The CHAIRMAN. Does the gentleman from Texas desire to reply to the gentleman from New Hampshire?

Mr. PATMAN. Yes. I thought that there were six Members standing at the time, but if there were more than that—were there seven Members standing?

The CHAIRMAN. There were eight Members standing.

Mr. PATMAN. Mr. Chairman, I believe they all should be entitled to 5 minutes each.

Mr. Chairman, I ask unanimous consent to revise my previous unanimous consent request, so that each of the eight Members who were standing may have 5 minutes apiece.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from New Hampshire (Mr. Wyman).

Mr. WYMAN. Mr. Chairman, I hope I did not intend to speak on this matter at all. I had been going along on this bill because I thought that we were trying to enact legislation to give specific and helpful information to the people who are availing themselves of credit. It came as a kind of a surprise to me to find out that the committee evidently wants to amend the laws and take away States rights and give an advantage to a person who does not want to pay his bills, and to take away the recourse that an honest merchant has to collect a legal account.

I have never heard such a conglomeration of naive statements by intelligent people as I have heard about this garnishment law.

How is anyone going to collect from
a deadbeat if you are taking away the tool to collect—the only thing that he has. It just does not make any sense to me.

I have been trying to go along. But the gentlewoman from St. Louis spoke a minute ago about the imposition on these people and she even went so far as to say something about garnishment being a means of collecting an unjust debt. Of course, you cannot collect anything except a just debt. The courts decide when a debt is just. That is a part of it. That judgment has to be made before they can enforce garnishment procedures.

I am not a lawyer but I think we are doing enough to help these people protecting them from usury and hidden credit charges—instead of going further and taking away from the creditor the opportunity to avail himself of the laws of his State to collect money that is due him.

These are not all bad people who use this procedure of garnishment. They are not all crooks. There might be some crooks—I do not doubt that—the small loan companies and things like that. But we are trying to give you a bill that they can work under and control those people. Now you want to take away the only recourse that the legitimate merchant has when he sells goods and the fellow does not want to pay for them.

You say, "No; we cannot so ahead and garnish him."

Someone mentioned particularly the Federal employees, that we have more deadbeats in the Federal Government or people who know that they cannot be bothered with this thing. I thought that we had taken care of that sometime ago—but evidently we did not.

I have been in favor of the stated purposes of this legislation, but when you seem determined to take away States' rights, you are going to give second thought to the bill.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. Latta).

Mr. Latta. Mr. Chairman, when this matter was before the Committee on Rules, raised the question as to whether garnishment was a proper subject in this bill.

I still have a question in my mind as to whether this is rightfully a part of this bill as it deals with loan sharks and high interest rates and notifying the debtor before he goes into debt as to how much interest he is going to pay, and so forth.

I think this is proper. I am for these truth-in-lending laws and the principles of them. I supported the amendments that have been proposed here tightening up these provisions in the bill.

But when it comes to dabling into States rights—and I am one of those who believe there are other things as States rights, and trying to import into the 49 other States the law of one single State; namely, New York, then I say it is time to stop, look, and listen.

If we are going to start a precedent of having this law incorporated into our Federal statutes and have these laws take precedent over the laws of the other 49 States, then we ought to know about it here and now.

I, for one, resent having another State telling the State of Ohio what their garnishment laws ought to be by incorporating its laws into our Federal statutes.

We have had garnishment laws in the State of Ohio for many, many years. They have been through the courts and have been upheld many, many times. I have not seen many abuses because I do not believe that our gentleman from Missouri that perhaps we are trying too hard to protect individuals from paying their just debts.

I happen to be of the old school which believes you should pay your just debts. Therefore, I do not believe we should take away a means of collection from a creditor after he has extended his credit to one who wishes it. I do not think the Congress of the United States should go on record here as being for the person who does not wish to pay his just debts and against the person who puts up the credit. We have a lot of small business people extending credit. We are not always talking about Sears, Roebuck or the large department stores. We are talking about small businesses out in Ottawa, Ohio, or Holgate, Ohio. Sometimes these small businessmen must go into county or municipal courts to collect what is owing them. These small businessmen work long hours for the money to buy merchandise and they deserve to be paid when they extend credit. Now we should not come along with Federal legislation and say that you cannot collect through garnishment proceedings unless you simply take out the entire title.

I do hope that this House will stop and look at this particular title. I think the title should come out. Take it all out, not only the first section as proposed by this amendment, for it will not do the job. It is a half measure. Let there be another amendment to take out the balance of this title under the present parliamentary situation. I hope that this House takes this action so we will have a good truth-in-lending bill and one which will take care of the problem of New York State on our other 49 States through Federal legislation.

Mr. Gross. Mr. Chairman, will the gentleman yield?

Mr. Latta. I am pleased to yield to the gentleman from Iowa.

Mr. Gross. I do not know of any reason why we should take the city of New York or New York State as a model for anything. The city of New York has the highest per capita debt of any municipality in the United States. Some $4 billion-plus. I would prefer not take New York City as a model for anything.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi (Mr. Abernethy).

Mr. Abernethy. Mr. Chairman, I do not know how many merchants there are in the United States. I imagine there are several hundred thousand, perhaps a million or so.

I have not yet lost faith in these American businessmen. Nor have I yet come to the conclusion that every American businessman is a crook or a potential crook as some here in their support of title II seem to conclude.

It hurts me when it is suggested that the average storekeeper or department store operator is a cheat, or that he would use the sale of merchandise upon a man simply for the privilege of souping the salaried man. I would like to believe, and I do believe, that merchants make sales to customers, including wage earners, because they feel they are making a good and fair transaction, one that is good for the customer as well as the merchant.

It is a universal rule that one cannot buy merchandise unless he can show a capacity to pay. There may be a few rotten merchants, or shylocks or chents, among our multiplied thousands of American merchants; but why should we destroy all of them and a legitimate method of protecting creditors simply because there are a few in the merchandising field who want to cheat or be oppressive.

Since the courts of the English-speaking people were established, suits may be brought for many purposes—for actions in tort, for damages, for trespass, for debt and so on. When the claim is renewed or collections are sought by one or more methods by which the judgment creditor can recover and collect. One is by a levy upon the debtor's property; the other is by garnishment. If a levy upon his property is legitimate, why would not a levy upon his income be legitimate?

One is just as legitimate as the other. I would like to comment on what the gentleman from Missouri (Mr. Jones) and the gentleman from Ohio (Mr. Latta) had to say. They were so right and so sound. There are some States that probably do not like garnishment. There are others that do. Let the States make that decision. The time may even come when some States will want to eliminate the right to levy on a man's property to recover judgment. Let them make that decision. Why should we establish here the one rule by which every State and every court in this country and every creditor in this country should be guided?

Far in mind, when we eliminate the lawful right to garnish debts to recover on legitimate judgment debts, we are going to have a good many merchants who will say, 'They have reduced my opportunity to collect on the fellow who may default, so I am just not going to let him have the merchandise.' Otherwise the merchant might have done business with the would-be buyer. This garnishment provision will undoubtedly do them more harm than good. If he sorely needs certain merchandise, by this provision, will reduce his opportunity to secure credit.

I just hope we will not go far afield and take on anything in this bill in taking care of consumer credit problems and move into the foreign field of garnishment. Certainly this ought to be left to the judgment of the respective legislatures of the States of this Nation. If they are going to have garnishment, as they apparently do not, that is all right with me. If Ohio wants it, why not let them have it? Why should we be the judge? Why is it that we substitute our
judgment for that of our great State legislatures. All of them are closer to the people and to this strictly local question than we are here in Washington.

These members who so hastily spoke of garnishment told us how cruel it was, how rigged, how mean, and how rigid and unfair was such a proceeding. Yet they recognize the legitimacy, rightness, and fairness of it by bringing in their own version of garnishment.

Although they condemn garnishment, they do not outlaw it. They bring in their own version of such. They are attempting to substitute their version for that of the State legislatures. Everyone over the Nation must all subscribe to what they say. They are assuming a holier than thou attitude. They superimpose their views and their versions on every State, every legislature, every creditor, and every debtor in this Union on an entirely and completely local basis.

Mr. ASH BROOK. Mr. Chairman, will the gentleman yield?

Mr. ABER NETHY. I yield to the gentleman from Ohio.

Mr. ASH BROOK. Mr. Chairman, does the gentleman not also find it quite interesting that the U.S. Government has the very strange garnishment proceeding, actually one which most people should be offended by. I am speaking of the Internal Revenue Service, which can move in and take your property and income without much notice.

Mr. ABER NETHY. They can move in and take it with much less notice than these. Indeed, I believe federal authority is more cruel and more vicious than any comparable State authority.

Most business people are not bad. Let us not get ourselves off on the idea that these people are all crooks or that they are imposing on poor people.

In behalf of both the creditor and debtor, the merchant and the buyer, and in support of the right of the States to make laws which are purely local in the same way that the Congress of the United States has a class of debtors, creditors more real by extending the right of garnishment to the salaries of Members?

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that I be permitted to yield 1 minute of my time to the gentleman from Louisiana.

Mr. REUSS. Yes, sir. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. The gentleman is making a moving case in behalf of the rights of a creditor. I will agree that a creditor's rights deserve recognition.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. REUSS. Mr. Chairman, I ask unanimous consent that I be permitted to yield 1 minute of my time to the gentleman from Louisiana.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that I be permitted to yield 1 minute of my time to the gentleman from Louisiana.

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. Mr. Chairman, the amendment would strike out section 201 of title II of this bill. If my amendment is adopted I believe the distinction of the chairman and I have agreed that possibly I could offer an amendment to strike all of title II. So, actually...
If we can adopt this amendment certainly I would follow with an amendment taking all of title II out, which would not bring out the garnishment section of the bill.

Mr. WHITENER. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from North Carolina.

Mr. WHITENER. Mr. Chairman, I appreciate the gentleman's yielding.

I am astounded that the proponents of this legislation would suggest that the Congress should write local law in the field of garnishment. It is a matter for our State legislature.

I would point out these folks who are so concerned about the debtor are probably not aware of the fact that the debt-paying debtor might well wind up being punished by this provision, because any businessman who stays in business takes into account in his price-fixing procedures the cost of doing business. If as is the case in the bill under which the deadbeats are protected, then the debt payers will be paying higher prices for merchandise.

I note also that the committee in its amendment to the original bill was very careful to leave the tax gatherers, both Federal and State, untouched by this title II provision. Now, if the little corner grocery store is to be deprived of its rights under State law, why cannot the massive Federal Government be required to give the same consideration to the wage earner?

May I point out further, if the gentleman will yield further, that some of us, like the gentleman from Colorado (Mr. Roessen), and others, have for several years worked with the wage earners provisions of chapter 13 of the Bankruptcy Act. We have not only amended that act, we have also tried by contacts throughout the Nation to encourage the use of chapter 13 proceedings to encourage wage earners to pay their debts under an arrangement procedure provided in chapter 13.

The approach by this bill we have before us negates all of the efforts we have made in this field. It creates a privileged class which of those who are not willing to pay their honest debts. It takes away the basic rights of the States to regulate in a strictly local field of legislation.

Mr. Chairman, I support the gentleman's amendment.

Mr. MONTGOMERY. Mr. Chairman, I thank the gentleman for pointing out this important matter as to the way in which this bill was drawn up. I would like to say that if you want to let the States go about their own garnishment laws, you will support the amendment. If you want the Federal Government to move in on the State authority, then vote against my amendment. It is just that simple.

Mr. WHITENER. Mr. Chairman, will the gentleman yield to me?

Mr. MONTGOMERY. I yield to the gentleman from North Carolina.

Mr. WHITENER. Mr. Chairman, I note in title II of this legislation—and I do not know whether it is an oversight or not—that there is nothing said about the assignment of wages procedures available in most States of the Union.

The assignment of wages procedure are the ones that an unscrupulous businessman will be using. If you enact this bill into law, the only person who will be hurt, in my judgment, is the scrupulous businessman who is furnishing the food for the furniture for the home of the wage earner. I see nothing here that prevents an unscrupulous merchant getting his customer to assign wages at the time he makes a purchase. That is not a garnishment it proceeds and would not be precluded by the bill.

Mr. MONTGOMERY. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. PATMAN) for 3 minutes to close debate on this amendment.

Mr. PATMAN. Mr. Chairman, this is not the New York law. Neither is it the Louisiana law. The Louisiana law is just as near to this title of the bill as is the New York law, as my amendment to it. I, Mr. Chairman, refer to it as the New York law. I am now telling the people trying to get their law enacted into Federal legislation, I do not think it is exactly right.

Mr. Chairman, several States have similar laws to this. Some are more aggressive than others. No one wants to help an individual beat a just and honest debt. There are ways of collecting debts other than garnishment which, of course, is the most cruel method that can be used.

Mr. Chairman, we can take, for instance, situations which arise at Federal facilities. In the congressional district which it is my honor to represent, when they write to me about a merchant to the effect that they have an account overdue and an employee is employed at a certain Federal facility, I just tell them to go to the local justice of the peace, get a liquidated claim of judgment, and file that with the manager of that facility. Either he will make arrangements for it to be paid off or will be fined. There is no real problem in collecting debts from big company concerns engaged in the construction of Federal projects, if they are not liquidated.

Mr. Chairman, one can never tell whether it will be questioned, but when one gets a judgment, one can collect upon it. The rights of the individual States are protected.

Mr. MYERS. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I cannot yield at this time.

Mr. Chairman, in the title dealing with the operation of the States, section 204 at page 43 of the bill, the members of the Committee will find that the State rights and State laws are pretty well provided for.

So, Mr. Chairman, it is my opinion that this committee performed an excellent job in putting into all of these laws of the different States, and, finally, agreed upon one provision that in the opinion of the committee would be fair to all concerned.

Mr. Chairman, I feel that the report of the committee should be supported rather than the amendment which has been offered by the distinguished gentleman from Mississippi (Mr. Montgomery) an amendment which has not been considered by the committee directly. However, the amendments of the committee have been considered very carefully—considered and weighed and evaluated, by all of the members of the committee.

Mr. Chairman, it is my opinion that the members of the Committee must vote. The States regulate their own garnishment laws, and the intricate details are generally better handled by the State legislature. I think we might vote and represent a vote in the interest of the public.

Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I am glad to yield to the distinguished gentlewoman from Missouri.

Mrs. SULLIVAN. Mr. Chairman, I just want to read a few excerpts from the letters which I have received, one from the Republic Steel Corp. and one from the United States Steel Corp., directed to the attention of major industries on this issue.

Mr. Chairman, the letter from the Republic Steel Corp. is signed by the vice president for corporate relations and public affairs, Mr. H. C. Lumb, in which he states, in part, as follows:

"We believe there are many reasons from the point of view of both employee and employees which favor a prohibition of garnishment laws.

From a company standpoint, the garnishment of an employee's wages imposes a substantial administrative burden.

And he goes on:

In several instances where legal questions have been involved, the expense to Republic of a garnishment proceeding has been almost as great as the amount being garnished. In one pending lawsuit, Republic and another company are being sued for $100,000 damages for allegedly causing the wrongful garnishment of an employee's wages in the sum of $57.90.

The cost to Republic in terms of damage to employee relations is perhaps even more substantial. While it is difficult to measure, we believe that the garnishment of an employee's wages often impairs the employee's performance on the job. In a few instances repeated difficulties with respect to garnishments have made it necessary to discharge the employee.

The disadvantages of garnishment laws to the employee are also numerous. Aside from paying interest on his debt, the employee is usually required to pay filing fees and other costs relating to the garnishment proceeding which are added to the amount being garnished. Moreover, a garnishment proceeding is often the forerunner of continuing financial difficulties experienced by the employee and is usually followed by personal bankruptcy proceedings.

I have a similar letter from Mr. William G. Whyte, vice president of United States Steel.

Mr. Chairman, I include at this point in the Record the full text of the two letters to which I just referred.

(Congressional Record, House of Representatives, Washington, D.C.)
Title II of the truth-in-lending bill (H.R. 11601) which would prohibit the garnishment of wages.

We believe there are many reasons from the golddiscipline's viewpoint of both employers and employees which favor a prohibition of garnishment laws.

From a company standpoint, the garnishment of an employee's wages imposes a substantial administrative burden. The handling of garnishment orders adds to the cost of doing business, while the persistence of garnishments may be a question whether an employer can be directly responsible against the company. Moreover, if a notice of garnishment is not attended to promptly (even though garnishment proceedings to challenge garnishments have made it necessary to discharge the employee.

The disadvantages of garnishment laws to the employee are also numerous. Aside from paying interest on his debt, the employee is usually required to pay filing fees and other costs relating to the garnishment proceeding which are added to the amount being garnished. Moreover, a garnishment proceeding is often the forerunner of continuing financial difficulties with respect to garnishments have made it necessary to discharge the employee.

We do not believe that the extension of credit for the employee is substantially beneficial to the economy of the United States. Aside from the disruption caused by individual bankruptcies, the garnishment laws encourage the extension of credit which would not otherwise be granted and help to divert an employee's earnings away from the purchase of consumer goods and services into the payment of interest and the costs of garnishment proceedings. Thus the prohibition of garnishment laws might well be beneficial for the economy.

It is our belief that the prohibition of garnishment laws would reduce a burden on interstate commerce. We respectfully request you to approve your making copies of this letter available to the members of the Subcommittee on Consumer Affairs. Any possible sequel to this matter will be made known to them. Extra copies of the letter have been enclosed for that purpose.

Sincerely,

H. C. Lumb,
Vice President, Corporate Relations and Public Affairs.

UNITED STATES STEEL CORP.

Hon. L. Douglas Wilder,
Chairman, Subcommittee on Consumer Affairs,
U.S. House of Representatives,
Washington, D.C.

Dear Mr. Sullivan,
I am taking this opportunity to communicate with you regarding the truth-in-lending bill (H.R. 11601).

The provisions of the bill which has a direct relationship to our operations is Title II, prohibiting the garnishment of wages. We are in favor of the provisions of Title II (dealing with the Prohibition of Garnishment of Wages) to the bill now before your Subcommittee.

Wage garnishments constitute a heavy and costly administrative burden upon our company. Quite apart from the administrative burden that garnishments impose on any large-size company, we believe that this repayment device may well lead to the extension of credit in situations where credit more reasonably might be withheld and in fact serves to enhance the credit risk which many employees find themselves subject.

We sincerely trust that our comments may be helpful to you and your colleagues in the consideration of this proposed legislation.

Sincerely,

Wm. G. White.

Mr. PATMAN. Mr. Chairman, this amendment has been fully discussed. Therefore, I ask for a vote on it. I hope that the members of the Committee on the Whole House on the State of the Union will sustain the Committee on Banking and Currency on this amendment.

Mr. MYERS. Mr. Chairman, will the gentleman yield?

Mr. HALPERN. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman from Texas has expired. All time has expired.

The question is on the amendment offered by the gentleman from Mississippi (Mr. Montgomery).

The question was taken; and the Chair announced that the noes appeared to have it.

Mrs. SULLIVAN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. Morecomb and Mr. Patman.

The Committee again divided, and the tellers reported that there were—ayes 98, noes 101.

So the amendment was rejected.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

On page 40, line 6, strike "PROHIBITION" and insert "RESTRICTION".

The committee amendment was agreed to.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that the remainder of the bill may be considered as read, printed in the Record, and open to amendment at any point except, of course, that committee amendments come first.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. GROSS. Mr. Chairman, I object. The CHAIRMAN. Objection is heard.

The Clerk will now proceed to print the bill, excepting any amendment which has not been considered.

The Clerk read as follows:

Ssc. 202. (a) No person may attach or garnish wages or salary due an employee, or pursue in any court any similar legal or equitable remedy which has the effect of stopping or diverting the payment of wages or salary due an employee.

(b) Whoever violates subsection (a) of this section shall be fined not more than $1,000, or imprisoned not more than one year, or both.

The Clerk concluded the reading of the committee amendment.

AMENDMENT TO THE COMMITTEE AMENDMENT OFFERED BY MR. ROGERS OF COLORADO

Mr. ROGERS of Colorado. Mr. Chairman, I have an amendment to section 202. I am just inquiring now as to whether I must await the reading of section 203 and section 204 and so forth before offering it.

The Chairman. The amendment is now reporting the committee amendment.

The Clerk concluded the reading of the committee amendment.

Mr. WYMAN (during the reading). Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state the parliamentary inquiry.

Mr. WYMAN. Mr. Chairman, I have an amendment to section 202. I am just inquiring now as to whether I must await the reading of section 203 and section 204 and so forth before offering it.

The Chairman. The amendment is now reporting the committee amendment.

The Clerk concluded the reading of the committee amendment.

Mr. ROGERS of Colorado. Mr. Chairman, the objective of this amendment is...
to eliminate section (c) from section 202 for the simple reason the amendment as drawn here would authorize the Secretary of Labor to draw rules and regulations and to control Federal and State courts.

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Colorado. I yield to the gentleman.

Mr. REUSS. The gentleman from Colorado was kind enough to furnish both the majority and the minority with copies of his amendment previous to this amendment.

It is my judgment that the gentleman's amendment is a constructive amendment.

The withdrawal of the criminal penalty, and of the intervention of the Secretary of Labor, in this instance seems to me justified because the matter rests, and properly rests, with the State and Federal courts and is taken care of by the earlier section, section 202(a).

Accordingly—and I have discussed this matter with my leaders and associates on the committee—we would have no objection to the gentleman's amendment, and thank him for his constructive spirit in offering it.

Mr. HALPERN. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Colorado. I yield to the gentleman from New York.

Mr. HALPERN. I agree with the statement of the gentleman from Wisconsin. I believe the points made by the gentleman from Colorado have been taken, and I concur with his amendment.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Colorado. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. An unusual change of heart has taken place here. Only a few minutes ago I heard the distinguished chairman, the gentleman from Texas (Mr. PATMAN), say that this entire committee amendment had been carefully weighed and considered. Could we inquire if there is going to be other amendments accepted to other parts of this "carefully weighed" amendment?

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Colorado. I yield to the gentleman from Wisconsin.

Mr. REUSS. I respond to the inquiry of the gentleman from Mississippi by saying that this is the only amendment which I agree to, because the majority and the minority of the House Committee on Banking and Currency is an improvement. I will inform the gentleman that it is the only one we propose to accept.

Mr. ROGERS of Colorado. May I respond further by saying that I do have at the desk another amendment which the committee would not agree to, and that amendment would strike out all of lines 1 to 3, inclusive, on page 42, removing the question of making it a Federal crime to discharge an individual when he may have been garnished once. That is an amendment that I propose to offer after this one is adopted.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Colorado. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. I just wish to make clear that I certainly have no objection to taking this subsection out. In fact, I was so simple-minded that I voted for it. Indeed, this section should come out because it would authorize the imposition of a fine of $1,000 and imprisonment in jail for a solid year for the violation of a regulation to be drawn by the Secretary of Labor, which has never been seen by the House of Representatives.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Colorado. I yield to the gentleman from Texas.

Mr. PATMAN. This amendment was considered before I made the statement that we had agreed to this, because we think it is a constructive suggestion, it is a good amendment, and we ask that the amendment be adopted.

The CHAIRMAN. The question is on the amendment to the committee amendment offered by the gentleman from Colorado (Mr. ROGERS).

The amendment to the committee amendment was agreed to.

Amendment of Colorado Amendment Offered by Mr. ROGERS of Colorado

Mr. ROGERS of Colorado. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment to the committee amendment offered by Mr. ROGERS of Colorado: On page 42, strike out lines 1 through 3.

The CHAIRMAN. The gentleman from Colorado is recognized for 5 minutes.

Mr. ROGERS of Colorado. Mr. Chairman, as you will readily understand, section 203(a) of this committee amendment provides that no employer may discharge an employee for one garnishment, and that if that employer should discharge him for a garnishment, then he has committed a Federal crime and the punishment is a fine of not more than $1,000 or up to 1 year in jail.

My amendment merely eliminates the criminal penalty and still it is with the sheriff or constable to carry out the garnishment process itself, and we believed—and I believe we were correct—that because the garnishment process itself is lodged in the court, that alone provided a sufficient remedy.

Now we are dealing with an excellent provision of the Halpern amendment, which makes a case for the adoption of this because there has been another garnishment lodged against him. If there is more than one, then, yes, he can be; but if only one, then he cannot be fired.

The only penalty provided is the criminal penalty of the fine and modest imprisonment, which is a typical feature of the Federal Criminal Statutes. The reason that is in there is, unless we provide a penalty, there is absolutely nothing to stop the employer from firing with impunity a wage earner against whom one garnishment, just or unjust, has been obtained.

I hope, therefore, this amendment will be voted down.

Mr. HALPERN. Mr. Chairman, I rise in opposition to the amendment.

As explained by the distinguished gentleman from Wisconsin, the committee amendment would prohibit the firing of an employee because of one garnishment.

If there is a second garnishment, the prohibition would not apply.

Let me repeat that, Mr. Chairman. This provision applies the prohibition only to the first garnishment, which is certainly reasonable.

I should like to add that this language was adopted unanimously by our committee. We heard no objection from credit spokesmen. Both the consumer and credit groups agreed this was reasonable and desirable.

The gentleman from Colorado has offered an amendment which completely destroys the committee amendment which, I should point out—and I repeat—was adopted unanimously.

The gentleman's amendment would take the teeth out of this section of the bill and kill its effective enforcement. This amendment will not prevail and that the committee provision will remain.

The CHAIRMAN. The time of the gentleman from New York has expired.

The question is on the amendment offered by the gentleman from Colorado (Mr. ROGERS) to the committee amendment.

The amendment to the committee amendment was rejected.
I urge the adoption of this amendment to preserve and protect our constitutional system.

Mr. HANNA. Mr. Chairman, I rise in opposition to the amendment.

I include in the Record at this point an argument on the constitutionality of the committee amendment:

STATEMENT ON THE CONSTITUTIONALITY OF THE GARNISHMENT AMENDMENT TO THE TRUE IN LENDING BILL

Some questions have been raised as to the constitutionality of Federal legislation on the subject of garnishment. Without more formal examination of these questions, it becomes quite clear, I believe, that there is no substantial question as to the constitutionality of such a provision.

Without presenting a long, technical explanation as to why I think Congress has the constitutional power to legislate in the area of garnishment, it is clear from an examination of this matter, particularly over the last 30 years, that this power exists.

This fact can be demonstrated most effectively by an examination of the labor laws which have been enacted during and since the days of the New Deal. There include the National Labor Relations Act, the Fair Labor Standards Act, the Taft-Hartley Act. The Supreme Court has held that the size and impact on interstate commerce of any particular statute is not a relevant question as to the constitutionality of a statute involving such matters.

Likewise, Congress has established minimum price for local commodities and such prices have been upheld by the courts even in cases in which the producer sold his product only within a single state. In such case, U.S. v. Wrightwood Dairy Company, the Supreme Court stated:

"Congress has plenary power to regulate the price of milk distributed in interstate commerce .... and it possesses every power needed to make that regulation effective. The commerce power is not confined to its exercise over or in respect of intrastate commerce. It extends to those activities intra-state which so affect interstate commerce as to make regulation of Congress over it, so as to make regulation of them appropriate means to the attainment of a legitimate end, the effective execution of the granted power to regulate interstate commerce."

In another instance, Chief Justice of the United States, Mr. Harlan F. Stone stated, in the case of Southern Pacific Company v. Arizona in 1945, and I quote:

"Congress has undoubted power to redetermine the distribution of power of interstate commerce. It may either permit the states to regulate the commerce in a manner which would not be reasonable, or exclude state regulation even of matters of peculiarly local concern which nevertheless affect interstate commerce.

Therefore, it appears clear that there is no constitutional barrier to the Congress establishing a national standard for the garnishment of creditors. The question for Congress to make is this, a serious situation involving the economic welfare of millions of workers throughout the United States and that the severity of the problem is such that congressional action is necessary.

After taking many hours of testimony and studying of pages of discussion and data on the subject of garnishment the Banking and Currency Committee, and particularly Mrs. Slaughter's Subcommittee on Consumer Affairs, I am convinced that a serious national problem and that at least a minimum national standard should be established for the garnishment of wages.

Mr. HANNA. Mr. Chairman, I rise in opposition to the amendment and move to strike the requisite number of words.

I strongly oppose the amendment offered by the very able and distinguished gentleman from New Hampshire.

As a practical matter, Mr. Chairman, the amendment would put a terrible burden on all workers being garnished, on their employers, and on the creditor seeking a garnishment.

This would be so because if this amendment were adopted, only the Federal courts would have jurisdiction over garnishment proceedings under this law. Therefore, in many States, particularly in the South and the West, where there are only two or three Federal district courts covering very wide areas of the State, all involved would have to travel hundreds of miles to a court in a distant place instead of going to a local court.

In addition, it is my understanding that State courts have in many instances applied Federal laws, and indeed, are obligated to do so. Therefore, to adopt this amendment would do terrible hardship to all concerned. I trust it will be rejected.

Mr. WYMAN. Mr. Chairman, will the gentleman yield for a question?

Mr. HANNA. Mr. Chairman, I rise in opposition to the amendment because the amendment would in effect wipe out the entire action on garnishment which we are taking. Under the amendment of the gentleman from New Hampshire, the State courts could go blithely ahead and garnish the last $5 from the weekly wage of someone who is making $30 a week. The mere fact that the Federal courts could not get involved in the circuit would be small comfort to the people here, and I think we are a majority, who believe that there has to be some limit on the power of a creditor, whether just or unjust, to have a person deprived of the use of garnishment proceedings.

I hope that the amendment will be decisively voted down.

Mr. SAYLOR. Mr. Chairman, will the gentleman yield to me for a question?

Mr. WYMAN. I would like to ask the gentleman from Pennsylvania whether or not in a State which does not have any garnishment proceedings the committee

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I hope that the amendment will be decisively voted down.
Third, Mr. Chairman, how much in additional expense will this cost the taxpayers?

Mr. PATMAN. Mr. Chairman, I would be most happy to yield, because on page 18 of the committee report prepared under the aegis of the chairman, and subcommittee chairman, it states:

The regulations will be allocated among various industries having regulatory responsibilities over industries affected by the credit disclosure requirements of the bill.

Mr. Chairman, I now yield to the chairman of the Committee on Banking and Currency, the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman, may I say to the gentleman in answer to his first question, this will not interfere with the payroll or any compensation in the President now in existence. Furthermore, the duties of the Commission are set forth on page 44 of section 304, and it is evident, if the gentleman will read them, that there will be no conflict.

The total cost authorized in the bill would be $1.5 million, which would be to the Committee on Appropriations as to whether or not they would recommend the whole amount, or a smaller sum. It is restricted to that.

Mr. Chairman, I am glad to have one man's opinion. I submit that these questions are for the perception of all Members.

I yield back the balance of my time. Mr. GROSS. Mr. Chairman, I move to strike the remainder of the question.

I would like to ask the gentleman a few questions concerning the Commission that would be established under the terms of this bill.

How many employees are to be added to the payroll under the terms of this Commission?

Mr. PATMAN. I do not know how many. I do not believe it is possible for anyone at this stage to estimate. But I can say that if it will stop all the racketeering, the loan sharking, and the charging of usurious interest rates, it will not be money except well spent. It will be well spent money.

The Committees on Appropriation will have to pass on the number of employees, and I am sure they will use the good judgment which they have used in the past to make sure that they are justified, and will serve the best interests, and that the expenditure is justified, or they will not make the appropriation.

Mr. GROSS. President Johnson has been talking about restraints on spending in the Federal Government and restrictions on employment. Did the administration ask for this Commission?

Mr. PATMAN. Certainly, this is an administration bill. Does not the gentleman want to stop the charging of usurious interest? Do you not want to stop the exorbitant interest charges?

Mr. GROSS. What is that?

Mr. PATMAN. Do you not want to stop the exorbitant interest charges? There are many people who are being oppressed by this legislation.

Mr. GROSS. Is the fact of another commission going to do it? The gentleman knows as well as any Member of the House that simply because a new Commission is established that does not mean and cannot in conjunction with credit in this country are going to be cured.

The answer that the gentleman from Texas has given me up to this point, as to the number of employees, and the additional expense builds into this Commission, is less than no answer at all.

When you held hearings on the establishment of this Commission, as you must have if you were discharging your responsibility, you must have provided with some idea of how many more people were going to be put on the payroll?

Mr. PATMAN. Now will the gentleman let me answer that?

Mr. GROSS. Yes.

Mr. PATMAN. I think it is very unreasonable to say that before the law is even passed, you must estimate the number of employees it will take to enforce the law. You do not know how widespread the violations will be. You do not know the volume of work that you will have before you. There is no way to reasonably estimate it until the law is passed and it goes into operation.

Mr. GROSS. Of course, the gentleman ought to be aware of the fact that there is a law on the statute books, a public law that requires you to come before the House of Representatives and give us certain information, including the man-hours involved. You have not done so in this bill, you apparently have no intention of doing it. Therefore, you, yourself, are not in conformance with the law governing legislation.

Mr. PATMAN. It is not timely now. When it is timely and appropriate, it will be provided.

Mr. GROSS. Of course, it is timely now.

Mr. PATMAN. It is not timely now but it will be at the appropriate time.

Mr. GROSS. Do you have any idea of how many supergraders you are going to ask for? You provide in the bill for an unspecified number GS-18 employees, which is the top of the supergraders.

Mr. PATMAN. This is a very good cause and it is for a good purpose, I am sure that an adequate number of employees will be provided, and a reasonable number of employees.

Mr. GROSS. I have been here for a few years and I apparently have no intention in providing information as he is doing today.

Mrs. SULLIVAN. Mr. Chairman, is the gentleman yield?

Mr. GROSS. I yield to the gentlewoman.

Mrs. SULLIVAN. I am happy to inform the gentleman that this is going to be a commission just like the National Commission on Food Marketing. It will
consists of nine members, three Members of the House and three Members of the other body. With the six Members of the Congress forming a majority of the committee, they will decide how many employees will be needed and will be in charge of the work that we expect them to do and which is spelled out in this legislation.

Mr. GROSS. We have 434 Members of the House. I do not know how many are present, but those who are ought to have some degree of knowledge of the authority being delegated to a brandnew commission and its ability to engage in empire building in the Federal Government.

That is my point.

The CHAIRMAN. The time of the gentleman has expired.

The Clerk will read.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, printed in the order of the amendment at any point, with the committee amendments to be considered first.

Mr. ASHBROOK. Mr. Chairman, reserving the right to object, as a Member who has an amendment I would like to have, I believe that it will not be cut off so that there might not be time adequately to explain the amendment.

The CHAIRMAN. The gentleman from Texas has asked that the remainder of the bill be considered as read, printed in the order of the amendment at any point, with the committee amendments to be considered first, and made no request as to the time.

Mr. ASHBROOK. Mr. Chairman, is it not correct that if that is accomplished the gentleman could move at any time to close debate?

Mr. PATMAN. We are not going to abuse any rights of Members.

Mr. ASHBROOK. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The remainder of the bill is as follows:

TITLE III—COMMISSION ON CONSUMER FINANCE

Sec. 301. Establishment. There is established a bipartisan National Commission on Consumer Finance (hereinafter referred to in this title as the "Commission").

Sec. 302. Membership of the Commission. (a) The Commission shall be composed of nine members, of whom

(1) two shall be Members of the Senate appointed by the President of the Senate;

(2) three shall be Members of the House of Representatives appointed by the Speaker of the House of Representatives;

(3) three shall be persons employed in a full-time capacity by the United States appointed by the President, one of whom shall designate as Chairman.

(b) A vacancy in the Commission does not affect its powers and may be filled in the same manner as the original appointment.

(c) Members of the Commission constitute a quorum.

Sec. 303. Compensation of Members. (a) Members of Congress who are members of the Commission without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(b) Each member of the Commission who is appointed by the President may receive compensation at a rate of $100 for each day he is engaged upon work of the Commission, including per diem in lieu of subsistence as authorized by law (5 U.S.C. 5703) for persons employed in the Federal Government service employed in connection with such work.

Sec. 304. Duties of the Commission. (a) The Commission shall study and appraise the credit, savings, or investment structure of the consumer finance industry. The Commission, in its report and recommendations to the Congress, shall include treatment of the following topics:

(1) The adequacy of existing arrangements to provide consumer financing at reasonable rates.

(2) The adequacy of existing supervisory and regulatory mechanisms to protect the public from unfair practices.

(3) The desirability of Federal chartering of consumer finance companies, or other Federal regulatory measures.

(b) The Commission may make interim reports on its findings, recommendations, and conclusions to the President and to the Congress by December 31, 1969.

Sec. 305. Powers of the Commission. (a) The Commission, or any three members thereof as authorized by the Commission, may conduct hearings anywhere in the United States, without notice and without hearing the expressions of opinions pertinent to the study. In connection therewith the Commission is authorized by majority vote to

(1) require the general orders, corporations, business firms, and individuals to submit in writing such reports and information as the Commission may prescribe; such submission shall be made within such reasonable period and under oath or otherwise as the Commission may determine;

(2) administer oaths;

(3) require by subpoena the attendance and testimony of witnesses and the production of all documentary evidence relating to the execution of its duties;

(4) in the case of disobedience to a subpoena or order issued under paragraph (a) of this section to invoke the aid of any district judge in the District of the United States in requiring compliance with such subpoena or order;

(5) in any proceeding or investigation to order the production of evidence by any person before any person who is designated by the Commission and has the power to administer oaths, and in such instances to compel testimony and the production of evidence in the same manner as authorized under subparagraphs (3) and (4) above; and

(6) to pay witnesses the same fees and expenses as are paid in like circumstances in the courts of the United States.

(b) Any district court of the United States within the jurisdiction of which an inquiry is carried on may also require a person who has been served with a subpoena or order of the Commission issued under paragraph (a) of this section, issue of the Commission therefor, and any failure to obey the order of the court may be punished by the court as a contempt thereof.

(c) The Commission is authorized to require directly from the head of any Federal executive department or independent agency available information deemed useful in the performance of its duties, and any independent agencies of the Government are hereby authorized and directed to cooperate with the Commission and to furnish all information and assistance to the extent permitted by law.

(d) The Commission is authorized to enter into contracts with Federal or State agencies, private firms, institutions, and individuals for the conducting of research or surveys, the preparation of reports, and other activities necessary to the discharge of its duties.

(e) When the Commission finds that publication of any information obtained by it will result in an unfair competitive advantage to any person, it is authorized to publish such information in such manner and form as may be adapted for public use, except that data and information which would separately disclose the business transactions of any person. Such publication shall be held confidential and shall not be disclosed by the Commission or its staff. The Commission shall permit business firms or institutions furnished with data and information to use such data and information furnished by them for the purpose of obtaining or copying such documents as need may require.

(f) The Commission is authorized to delegate any of its functions to individual Members of the Commission or to designated individuals on its staff and to make such rules and regulations as are necessary for the conduct of its business, except as herein otherwise provided.

Sec. 306. Administrative Arrangements. (a) The Commission is authorized, without regard to the provisions of title 5, United States Code, relating to appointments in the competitive service or to classification and other substantive matters, to fix the compensation of an executive director and the executive director, with the approval of the Commission, shall select the executive director and fix the compensation of any additional personnel as may be necessary to carry out the functions of the Commission, but no individual so appointed shall receive compensation, or receive any compensation, in excess of the rate authorized for GS-18 under the General Schedule.

(b) The executive director, with the approval of the Commission, is authorized to make expenditures in the accomplishment of the provisions of section 3109 of title 5 of the United States Code, but at rates for individuals not to exceed $100 per diem.

(c) The General Services Administration for the collection of indebtedness of personnel resulting from erroneous payments shall apply to the collection of erroneous payments made to or on behalf of a Commission employee. and regulations of said Administrator for the administrative control of funds shall apply to provisions of this title. The Commission shall not be required to prescribe such regulations.

(d) Ninety days after submission of its final report as provided in section 304(b), the Commission shall cease to exist.

Sec. 307. Authorization of Appropriations. There is hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this title. Any money appropriated pursuant hereto shall remain available to the Commission until the date of its expiration under section 306(e).

TITLE IV—SEVERABILITY

Sec. 401. If any provision of this Act is judicially held to be invalid, that holding does not necessarily affect the validity of any other provision of this Act.
establishes an advisory committee to advise and consult with the Federal Reserve Board in the exercise of its functions with respect to this proposed legislation in addition to this Commission. In appointing the members of this committee to advise the Federal Reserve Board further—and to achieve a fair representation of the interests of sellers of merchandise on credit, lenders, and the public. It seems to us that the proposed Commission on Consumer Finance duplicates needlessly the functions of the advisory committee proposed by section 204(e).

Even with the passage of the proposed legislation, there will remain many unanswered questions relating to consumer credit protection. I think Congress should reserve its power well in further investigating whatever might require legislative revision or solution. Unlike practically every other major legislative proposal of the past decade, truth in lending was and is the product of congressional and executive cooperation and effort, relying on reports and recommendations sent to it by a commission oriented to the executive branch. Congress can maintain its initiative in at least this area.

I might say also, Mr. Chairman, I have followed the activities of Miss Esther Peterson and Miss Betty Furness very closely as they have labored in behalf of the administration in their special role as consumer advisers. Judging by their actions, I feel that we have the right to a criticism; in fact, I respect them for their political sagacity—they have spent far more time selling the Great Society as a partisan political product to consumers than in what is advertised as their duties, the watchdog of consumer affairs. They give adequate indication of what a Commission of this type would do. I urge the House to delete this section by supporting my amendment.

Mr. PATMAN. Mr. Chairman, I shall not take much time, so may get to a vote. May I raise this title, this part of the bill was put in by a unanimous vote. It was bipartisan. Both Democrat and Republican members voted for it unanimously. They all want it.

It serves a good purpose. If we were to knock it out, we would go a long way to destroy the bill. Who is going to evaluate the information that is submitted? This is a disclosure bill. We have to have somebody to pass on it and evaluate it and make recommendations. That is what the Commission will do. This is really the heart of the bill. We might as well try to destroy the whole bill, because this would destroy it.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Mr. Chairman, I do not recall. But the gentleman can rest assured when there is a roll call vote, we do not need a record vote. Why would we need a record vote? It is unanimous. Nobody disputes that. They are all here.

Mr. ASHBROOK. Mr. Chairman, I yield to the gentlewoman from Iowa. Mr. Grossl as to whether title III was an administration proposal, I understood the gentleman to say it was not. Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Mr. Chairman, I yield to the gentlewoman from Missouri.

Mrs. SULLIVAN. Mr. Chairman, I would be glad to reply. This is not an administration proposal. I would have had any proposal, in which I was joined by the co-sponsors of the bill and by the majority of the committee. The bill itself, yes, is an administration endorsed bill, but many of its provisions, including this one, originated with the sponsors of the bill.

I served on the National Food Marketing Commission, which spent a million and a half dollars to make the most comprehensive study ever done in 40 years into the food business. It took us 2 years, and I think we have every right to have this same kind of study made in the consumer credit field. The other study has resulted in legislation, to help the farmer and the consumer and the food industry. It was done by a highly qualified staff of experts, supervised by 10 Members of Congress and five public members, and headed by a distinguished jurist, former California Supreme Court Chief Justice Phil S. Gibson. I look for a similar worthwhile result from this proposal.

Mr. ASHBROOK. Mr. Chairman, I thank the gentlewoman for setting the record correct. The only point I had in mind is that it seems the Commission will go on forever, in perpetuity. Is that what is in mind?

Mr. PATMAN. It all depends on the need.

Mrs. SULLIVAN. It is set for 2 years. There is no need for this to go on forever.

Mr. McCORMACK. Mr. Chairman, I mean to strike the words. I do not mean to strike the words.

Mr. Chairman, the House in the Committee of the Whole is coming to the final minutes and the concluding of consideration of this bill. This is one of the most important bills in the history of our country in many decades. The passage of this bill and some other bills that will probably later come up to protect the interest of the consumer of our country will justify us and Congress most historic in the history of our country in connection with the protection of the rights of consumers of America.

I congratulate the chairman of the committee, the chairman of the sub-
committee, and the Members on both sides, Democrats and Republicans on the committee for their profound consideration which I gave to this bill. I congratulate the House in the Committee of the Whole for strengthening the bill as it was reported out of committee.

In relation to the amendment of my friend from Ohio, let us see what these provisions do. This is original on the part of the committee. This is original action on the part of the House. We know that Congress played a very important part throughout our entire constitutional history in originating matters. This Commission has very important duties to perform. What are they?

The Commission shall study and appraise the functioning and structure of the consumer finance industry, as well as consumer credit transactions generally.

They will recommend and report to the Congress. The recommendations and reports will come back to the appropriate committees of the Congress.

What else is this Commission to do?

They will consider—

1. The adequacy of existing arrangements to provide consumer credit at reasonable rates.

Everybody wants that. This means we will have a continuing body looking into this, comprised of six Members from both branches of the Congress out of a Commission of nine members.

The report and recommendation will be made to the Congress and referred to the appropriate committees of the Congress for further legislation, if necessary, to be considered by both branches of the Congress.

2. The adequacy of existing supervisory and regulatory mechanisms to protect the public.

From what? from unfair practices, and insure the informed use of consumer credit.

3. The desirability of Federal chartering of consumer finance companies, or other Federal regulatory measures.

It seems to me that these particular provisions and the establishment of the Commission—while it would not be disastrous without them in the bill—are of vital importance not only in giving strength and stability to the bill we pass but also in assuring continuity of consideration by a responsible Commission of which a clear majority will consist of Members of both branches of the Congress.

Mr. GROSS. Mr. Chairman, will the distinguished Speaker yield?

Mr. Mccormack. I am glad to yield to the gentleman from Iowa.

Mr. GROSS. As I understand it, the $1.5 million in support of this Commission is not budgeted. In the past the President has berated the Congress for exceeding his recommendations. Should I vote for this bill, I wonder if I would be berated by the President for having exceeded his recommendations in the Congress.

Mr. McCORMACK. I believe if the gentleman follows me he will be on safe ground.

Mr. ASHBROOK. Mr. Chairman, will the distinguished Speaker yield?

Mr. Mccormack. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I certainly would say to the distinguished Speaker that this particular Member knows the Speaker of the House is probably the greatest advocate of this body of any Member we have.

The basic thrust of my amendment is that the House, and particularly a committee of the House, has jurisdiction in this matter and should be doing the very precise thing we would be turning over to the Commission and the Congress.

Is it the Speaker's belief that the Commission could do better than a particular House committee with jurisdiction in this matter? That was my particular thought on this amendment.

Mr. Mccormack. I did not understand fully the question of my friend from Ohio.

Mr. ASHBROOK. I say, the Speaker is probably the greatest advocate for the House of Representatives.

Mr. Mccormack. The Speaker will always protect the rights of committees and all Members in every way possible.

There are times, as the gentleman knows, when a bill might be introduced, whereby parts of it should be introduced separately, would go to different committees despite the major emphasis. In the drafting of a bill the major emphasis might prompt the reference of a bill to committee A. It might involve provisions which, if introduced separately, would go to committee B.

I do not see any difficulty, if I correctly sense what my friend has in mind, so far as future difficulty is concerned.

Mr. ASHBROOK. Possibly I did not make myself clear. As an advocate of the House—and I happen also to be an advocate of the House of Representatives—it appears to me that our function would be better fostered by having the House itself to the precise matters which the Speaker is saying should be delegated to a commission.

Mr. Mccormack. We are not delegating anything. We are providing for a study to be made of what recommendations and the Commission is to make recommendations and a report to the Congress. The recommendations and the report will be separately acted on in accordance with the rules. Any bills introduced will be referred to the appropriate committees.

With all due respect to my dear friend from Ohio, I believe these particular provisions will strengthen the bill pending before Committee of the Whole House and will have a strengthening influence in the future in connection with protecting the interest of the consumers of our country.

Mr. ASHBROOK. I thank the Speaker for his answer. He is a better man than I.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. Ashbrook).

The amendment was rejected.

Mr. WIDNALL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. WIDNALL. Mr. Chairman, we have nearly completed work on the Consumer Credit Protection Act or the pending bill. As you prefer to call it. Recently, there has been a tendency in connection with various consumer bills to either overlook or understate its importance. The problem with understating the size of the problem is that the executive branch and Congress breathe a sigh of relief and have a tendency to put aside any further questions in connection with the subject of the legislation.

The problem with understating the effect and scope of consumer protection legislation is that it sometimes encourages excessive legislative effort for publicity purposes. To an extent, I think the most recent inspection bill last year was a good example of legislative "overkill."

The bill before us this afternoon has. I think, generally avoided either extreme. However, I think even the sponsor of this legislation would have to agree that a thorough credit information will not provide a solution for the very worst credit abuses in our Nation.

We should keep in mind, for instance, that the one major means of evading the purpose of legislation is to overstate or unstate its purpose. To an extent, I think the meat inspection bill last year was a good example of legislative "overkill."

Furthermore, I do not believe this disclosure bill will encourage any sudden move toward a competitive climate based upon interest rates offered by reputable merchants. I think we are only kidding ourselves if we expect this legislation to create such a competitive climate. After all, the costs of providing installment and revolving credit are often very similar in various parts of the country and in different large retail establishments. On the other hand, I agree with the gentlewoman from Missouri that perhaps the typical consumer has not realized the undermining by high interest rates we are faced with in the prevailing practice in the poorest sections of our Nation's cities.

The real benefit to be derived from this legislation, in my opinion, will result from the credit advertising provisions. I have been a firm believer in this type of legislation. This will be a negative result in that it will largely unappreciated and unappreciated by the public. I think that we are going to witness a striking reduction in false and misleading credit advertising and, to the extent that this occurs, our reputable merchants and our established credit institutions will be better able the increase in their own business receipts. The "come-on" advertising of a dollar
down and a dollar a week or the advertisement emphasizing a false and misleading trade-in value for old TV's or automobiles will be largely removed from the scene. In this regard, I regret that the House defeated an amendment which would have placed a share of the burden of responsibility on direct mail order companies, newspapers, radio and TV for self-policing the character of advertisements.

Mr. Chairman, I was especially pleased that the majority side of the aisle accepted my amendment which will apply the same standards of disclosure on monthly bills sent out by installment lenders as apply to revolving credit. There is no question that disclosure will have a far more meaningful effect in educating the public in terms of the American consumer reading it every month on her bills than would have occurred if the disclosure only took place prior to the sale on the contract agreement. My amendment will apply to a potential of some $75 billion a year in consumer credit.

Mr. Chairman, I want to make it clear that the legislative intent of my amendment applies with equal force to annualizing the credit charges on installment contracts where the so-called front-end load or finance charge occurs in connection with it as opposed to the monthly credit charges.

I think the House is also to be commended for accepting the Poff amendment on loan sharking. This represents a milestone in legislative achievement in an area that has been ignored for entirely too long. The significance of the amendments offered by the gentleman from New Jersey [Mr. CAHILL] also should not be overlooked. To a large extent, his amendments will root out the second trust gyp artists.

In conclusion, I want to pay my deepest respects to the chairman of our committee and to the chairman of the Subcommittee on Consumer Affairs. There is no question in my mind that this bill is infinitely more powerful and more effective than that which passed the Senate. We legislated well in committee and here on the floor. Finally, what we should not overlook is the fact that this legislation is nearly entirely the product of congressional initiative, and not merely another in a long line of bills rubberstamped by the Congress at the behest of the executive branch.

AMENDMENT OFFERED BY MR. ZABLOCKI

Mr. ZABLOCKI. Mr. Chairman, I offer an amendment.

The amendment as follows:

Amendment offered by Mr. ZABLOCKI: On page 49, immediately after line 11, insert:

"TITLE IV—DISCLOSURE OF CREDIT INFORMATION"

"FINDINGS AND PURPOSE"

"Sec. 251. (a) The Congress finds that—"

"(1) large numbers of individuals and families are at the present time engaged in the creation and operation of nationwide data transmission and data processing networks whose operations interstate commerce, and make extensive use of facilities of interstate commerce.

"(2) where credit information relating to the credit standing of individuals and families is handled through these networks, usually only the bare credit rating is transmitted or even readily accessible. The facts or allegations giving rise to the rating are generally not known when the credit ratings are made.

"(3) while those who have created these data transmission networks have generally taken elaborate precautions to avoid any legal liability to those most directly affected, the persons being rated, procedures to facilitate the generalization of the data, and the transmission of the ratings, or of errors in the ratings are virtually nonexistent. On the contrary, elaborate precautions are often taken to conceal from the persons most directly concerned, not only the ratings but the very identity of the organizations making them.

"(4) because of the nationwide character of these networks, the assumption of secrecy, anonymity, and gross oversimplifications which are characteristic of the system, individual consumers are generally powerless to protect themselves against either error or malice.

"(b) It is the purpose of this title to afford to individuals a means whereby they may ascertain and, where necessary, take steps to correct credit ratings concerning themselves which are, or are based upon information which is, transmitted which otherwise would not be, or by any means or facility of interstate commerce.

"Sec. 252. For the purposes of this title—"

"(a) the term 'credit report' means any written or oral report, recommendation, or representation as to the credit worthiness, credit standing, or capacity of any individual, firm, or corporation, which is solicited or given for the purpose of serving as the basis for a judgment as to any of the foregoing factors.

"(b) the term 'credit information agency' means (1) any creditor and (2) any individual, organization, or entity which engages in the business of making credit reports.

"(c) the term 'creditor' means any Institution will extend credit, it examines the credit rating of the individual seeking credit."

"Sec. 253. No creditor may make use of any credit report without disclosing that fact and the identity of the credit rating agency to the individual seeking credit."

"Sec. 254. No credit rating agency may make any credit report on any individual shall be deemed an adverse credit report on that individual for the purposes of this title.

"Sec. 255. The Board of Governors of the Federal Reserve System shall make such regulations as may be necessary to carry out the purposes of this title, and may provide exemptions from the requirements of this title the transmission of any information if it finds that such exemptions are consistent with the purposes of this title and are not necessary to carry out the purposes of this title and an undue burden and expense in connection with credit transactions.

"Sec. 256. Whoever violates any provision of this title or any regulation of the Board of Governors of the Federal Reserve System shall be liable to a fine, not exceeding $5,000, or imprisonment not more than one year, or both.

"MR. PATMAN (chairman). Mr. Chairman, this amendment has been furnished to the majority and to the minority members of the Committee on Banking and Currency. It is my opinion that all the Members on both sides of the aisle understand just what the amendment contains.

"Therefore, I ask unanimous consent that further reading of the amendment be dispensed with, that it be printed in the Record, and that the gentleman from Wisconsin be permitted to explain the contents of his amendment.

"The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

"There was no objection.

"Mr. ZABLOCKI. Mr. Chairman, this amendment would create a new title, Title IV, affecting the disclosure of credit information.

"It would establish the right of an individual seeking credit to see any report prepared on himself by a central credit bureau or similar agency.

"Information contained in credit reports currently is denied our people. This denial is both unjust and can cause serious economic hardship.

"We live, Mr. Chairman, in a largely credit economy. A good credit rating is a virtual necessity and a precious possession.

"Most Americans today live on credit—that is, on future earnings—with about 60 percent of the average individual's net income going to credit obligations of one kind or another. The practice is growing steadily.

"Mr. Chairman, as you know, before any institution will extend credit, it examines the credit rating of the individual applying for credit. This rating is customarily received from one of the more than 2,500 local credit bureaus located throughout the United States. These local bureaus are now in the process of being linked together by a nationwide data transmission and data processing network.

"The purpose—and a good one—is to speed the transmission of credit information to every corner of our Nation.

"At the same time, however, it will increase the possibility of injustices being done individuals seeking credit.

"Where information relating to the credit standing of individuals and families is handled by these networks, usually only the bare rating is transmitted.

"The circumstances giving rise to the rating are generally unknown to those who use the credit ratings to make credit decisions.

"A mistaken identity or a situation requiring more explanation than is possible in transmission can ruin the chances of an individual to establish credit in a community into which he recently has moved.

"My own deep interest in this problem dates from last fall when one of the families in my district suffered economic hardship and considerable embarrassment because of an erroneous credit report.

"Because this family was denied any information contained in the report, the work of rectifying the mistake was a most complicated and burdensome process.

"This refusal to access of a credit report is not unique.

"As a matter of policy, credit bureaus..."
In the country today will not show individuals their own credit report.

A recent Reader’s Digest article entitled “What Credit Bureaus Know About You,” cites another interesting situation. A man was refused credit because his file contained an outdated record showing he had been sued for non-payment of a bill.

The fact was that the court suit had been brought 15 years earlier by a rack-endering agency which had sent him notice he had never ordered. Although the suit had been thrown out of court, that information was not in the file.

Let us now turn to a section-by-section analysis of the bill.

Section 254 describes in detail the evils which this bill is designed to correct.

Subsection (a), (b), and (c) simply define the terms used under the bill.

The definition of “credit report” and “credit information agency” make it clear that the bill applies only to those agencies in the principal business of making such reports.

Subsection (d) is designed to prevent a credit agency from refusing to show an individual his credit report simply by saying that they do not have such a report, without explanation.

It is reasonable to assume that if an individual has applied for and been denied credit in a community, his record can be found at the local credit bureau. If for some reason it is not there, the credit bureau can escape any liability under the amendment simply by explaining the situation to the individual.

Section 253 gives a person denied credit the right to know from the institution denying credit the name of the agency from which the adverse report was obtained. With this information he would then be able to approach the proper agency.

Section 254 would require that credit rating bureaus must, upon request, show an individual any credit report that they have made on him.

As I have pointed out before, at present an individual has no such right.

Section 255 puts the power of enforcing the legislation in the hands of the Board of Governors of the Federal Reserve Board.

To the Board it gives the authority to make the regulations necessary to carry out the intent and purposes of this amendment. In this the Board would be guided by the legislative intent expressed in section 251 of the amendment.

The Federal Reserve Board is also given the power to determine the limitations on those forms of information which it finds constitute an undue burden or expense on credit rating agencies. In this connection the intent is to disrupt the normal operations of our credit system. It is intended to the economic health of our Nation.

This section will give the power to exempt from regulations whatever type of credit rating the Board finds to be necessary.

This, I am sure will prevent any undue burden falling on our credit rating bureaus while getting at the evils which is the purpose of the amendment.

It may be noted here that corporate credit reports are not affected under theadaually consumer credit reports.

And finally, section 256 prescribes the penalties which may be incurred for violations of the title or regulations set down to implement it.

Mr. Chairman, every individual ought to have the right to see a credit report compiled on himself or herself. This title will establish that right.

I urge its adoption as title III of the Consumer Credit Protection Act.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I am delighted to yield to the distinguished gentleman from Texas, the chairman of the Committee on Banking and Currency.

Mr. PATMAN. Mr. Chairman, if this amendment is adopted, and if there is anything wrong about it, we shall have another opportunity to pass upon it, because there is no question but what this bill is certainly going to conference. However, this amendment has been very carefully examined by our staff of the Committee on Banking and Currency as well as by the members thereof, and we are confident that it is a good addition to the bill and will make the bill even stronger.

Therefore, Mr. Chairman, we are willing to accept the amendment which has been offered by the gentleman from Wisconsin.

Mr. ZABLOCKI. I thank the distinguished gentleman from Texas for his observation and for his acceptance of the proposed amendment.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. Of course, I am glad to yield to the gentleman from Louisiana.

Mr. WAGGONNER. Mr. Chairman, do I understand correctly that the amendment which has been offered by the distinguished gentleman from Wisconsin [Mr. Zablocki] will forbid, if adopted, any person engaged in the retail business who has asked for credit, to deny confidential information from references to the applicant for credit?

Mr. ZABLOCKI. Not at all; it does not propose to do that at all. It provides that one seeking credit be given an opportunity to know why credit is denied to him and upon what basis. It is my opinion that an applicant for credit should have this right, because there are errors which occur in credit ratings. On many occasions a credit rating is established based on erroneous information. Such erroneous information in credit ratings is something we should have had a long time ago.

Mr. WAGGONNER. I beg to differ with the gentleman.

Mr. ZABLOCKI. I yield to the gentleman from Rhode Island.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Wisconsin.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I submit there is adequate protection in this regard in section 255. This section provides for the power of enforcing this legislation, in the hands of the Board of Governors of the Federal Reserve Board. This Board could exempt under provisions of this section the requirements to transmit any information if it finds that compliance is unnecessary to carry out the intent of the amendment. The Board of Governors of the Federal Reserve Board could exempt in certain instances.

As to the possibility of or protection from suits, I submit credit rating bureaus should be as careful as banks and other large creditors pertaining to credit ratings. If accurate information is given, and error is kept to the minimum, there is little possibility of a suit. I believe we should be just as concerned about the credit rating of individuals and the right to maintain a proper credit status as a creditor as it is for the possibility of a suit, because of careless and erroneous information.

Mr. TIERNAN. This amendment, as I understand it, is directed to information supplied by a third party, or only by the party requested to give credit.

Mr. ZABLOCKI. From the third party, Mr. Chairman.

Mr. TIERNAN. From the third party. Mr. Chairman, is the information obtained from the third party is given to the purchaser; is that correct?

Mr. ZABLOCKI. That is correct.

Mr. TIERNAN. There is no protection for the consumer against the agency that is given the information from a lawsuit that the information is false; is that correct?

Mr. ZABLOCKI. There would not be any protection any more than--

Mr. TIERNAN. The only thing is today they are not required to give that information, are they?

Mr. ZABLOCKI. They are not.

Mr. WIGGALL. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

This, it seems to me, is a very far-reaching amendment. I believe the purpose is good, but it is something we never took up in committee. It is so far-reaching that we should have ample time to consider it within committee as a separate measure some time in the near future. I believe we have made a great mistake to act hurriedly on this without having any kind of testimony as to its far-reaching effect.
Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the distinguished gentleman.

Mr. PATMAN. May I invite the distinguished gentleman's attention to the fact that the Poff amendment yesterday was rather a far-reaching amendment, and it is in the same category, and it is in the public interest, that this would be in. So I believe it would be reasonable to suggest that if there is anything wrong about this amendment—and I do not believe that there is, and our experts say there is nothing wrong with it, and it is in the public interest—and should anything wrong be discovered about it, we still have another chance of taking it out.

Mr. WIDNALL. I certainly do not believe that there is any similarity between this amendment and the Poff amendment. The matters contained in the Poff amendment are of pretty general knowledge, and were talked about for many, many months. This is not something that has been done—by himself or by a congressional committee, and I believe it would be a serious mistake to accept it now.

Mr. FLYNT. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Georgia.

Mr. FLYNT. I agree with the gentleman from New Jersey that the amendment should be defeated.

From what I heard of the explanation of it, it appears that the adoption of this amendment might put the responsibility on the merchant to justify the refusing of credit in any amount to a person who applied for credit at his place of business.

It could subject a merchant to a damage suit in the event he refused to extend credit.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman.

Mr. ZABLOCKI. I am sorry if I gave that impression. A merchant would in no way be liable. I believe, however, and I am sure the gentleman from New Jersey is, that an explanation of the refusal of the credit is unjust to a purchaser who desires to have credit, and I think there ought to be an explanation when he is denied that credit.

Mr. HOLIFIELD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have not spoken on this bill, but I am a little bit concerned about this amendment offered by my friend, the gentleman from Wisconsin.

In the utilization of commercial practices, the people who are in business frequently go to credit agencies and ask for credit reports on people. Those credit reports usually come in and the ratings, particularly on consumer credit, come in as "A," and so on, and sometimes they come in saying the man is behind time in his payments. Sometimes it comes in saying that he had to be sued to obtain payment of his bill. Sometimes you have information that he is undergoing divorce proceedings and that his accounts have been tied up in court by the complaining partner in the marriage.

There is a lot of confidential information in these credit reports which I feel is confidential, and I just think we are going a little too far here on this particular thing. If I understand the Zablocki amendment correctly.

I speak as a person of some experience. I happen to own a retail business and I utilize the revolving credit formula. You have to use it if you are going to stay in competition. Everybody else uses it. I do utilize it—and at a rate 33 1/3 percent less than the people in my particular area—and I do that voluntarily.

But there have been an awful lot of amateurs talking in the well of the House who have not had commercial experience and retail commercial experience in the utilization of credit.

I have heard a lot of statements from the well of the House that are pretty unrealistic. I have not challenged them because I do not understand the position of being a self-pleader or in a conflict of interest even for a moment.

I supported the so-called Sullivan amendment. I am going to support the bill because I do believe in full truth in credit. I do not know if it goes little bit beyond that what cost is going to be. I do not care whether it is on a monthly or a yearly basis so far as I am concerned personally.

But here is a three-page amendment. Do you want to cut it down? Do you want to change it in any way? I am going to support the amendment. I am going to support it.

The gentleman from New Jersey [Mr. WIDNALL] has said that this matter was not brought up in committee and discussed. It is farreaching in its effect. I would just say I think we ought to go a little bit slow on the thing and know a little bit more about it.

The gentleman from New Jersey and Mr. WIDNALL has said that this matter was not brought up in committee and discussed. It is farreaching in its effect. I would just say I think we ought to go a little bit slow on the thing and know a little bit more about it.

Mr. ZABLOCKI. This does not affect corporate credit ratings at all. It has to do with individual consumer ratings.

Mr. TIERNAN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Rhode Island is recognized for 5 minutes.

Mr. TIERNAN. Mr. Chairman, I am concerned about this amendment because I have been supporting Mrs. SULLIVAN's amendments to the bill in their full context. However, if you take the time to read the language of this amendment, the amendment applies to all credit reports. If you are a prospective purchaser, you are made to read the credits, recommendations or representations as to the creditworthiness, credit standing or capacity of any individual.

I pose the example to the Members of the House here of my being a merchant and having a customer by the name of Tiernan come into my store to buy a color TV. I tell him that I do not have that set in my store at the moment but I will have it in tomorrow. I meet Mr. Jones the next morning for coffee. He is a merchant also in town. He tells me Tiernan comes in and asks for the credit rating on Mr. Jones. He happens to have some experience with him when he bought a refrigerator from him. He was a little delinquent in payment.

That day I go back to my store and Tiernan comes in to get the TV set. I decide that I am not going to extend him any credit.

Does the amendment mean that I have to tell Mr. Tiernan that my good friend, Mr. Jones, told me that he was not credit-worthy, and if I do, what is my legal liability?

There is no protection here at all for a suit against me or against Mr. Jones, who told me that information.

Frankly, though the committee members may have studied this, there is no testimony before the committee with regard to the amendment, and I think it may be useful to bring it in before this body in a different form with certain safeguards in it, but in its present form we do not know what the purpose is and what the end result is. In that we may be getting into areas where we do not know what will result as a consequence of this attempt to protect the consumers.

Mr. MINISH. Mr. Chairman, will the gentleman yield?

Mr. TIERNAN. I yield to the gentleman from New Jersey.

Mr. MINISH. There is another possibility in the example you stated. The party of the second part may not want to lose the business. He resents the purchaser going to another store. So he tells the man who asks that the prospective purchaser is a bad credit risk in order not to lose him as a customer.

Mr. TIERNAN. That is true: that is always a possibility. However, after 2 days of the amendment, this measure we should be most cautious not to take a step which would result in greater damage than good.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. TIERNAN. I yield to the gentleman.

Mr. HOLIFIELD. The extension of credit by a merchant is a matter of judgment. He extends credit on the basis of his judgment that the extension of that credit will result in the man paying. If the man may enter into a conflict of judgment on that question. Here you would step in and say that he has to reveal the confidentiality of any information that he may have on the extension of credit, and you are going a long ways to make the man liable for a suit for revealing the information which he may have, but which may be very difficult for him to go into court and justify or reveal without the basis of a suit against him or his informant.

You are not denying that individual the right to have merchandise. He can go to a competitor and get his merchand-

February 1, 1968

CONGRESSIONAL RECORD—HOUSE 1847
Mr. GROSS. Mr. Chairman, I have not seen a copy of the amendment. Does this go to bank credit ratings as well as to credit bureaus?

Mr. PICKLE. Mr. Chairman, I would just answer the gentleman this way. The amendment at the beginning says "that large banks and other large creditors"—but throughout the entire amendment it talks in terms of "any creditor" not being able to refuse documents or data. I think it would go much further than any bank. It could go to any bureau or to any merchant.

Mr. PATMAN. Chairman.

The question is on the amendment offered by the gentleman from Wisconsin [Mr. ZARLOCK].

The amendment was rejected.

Mr. BYRNE of Pennsylvania. Mr. Chairman, I completely support the gentleman from Missouri [Mr. SULLIVAN], on this important legislation to protect the consumers of this country. She has done a magnificent job in calling to the attention of the American people the need for truth-in-lending legislation and for protection of the consumer in the use of credit.

In Philadelphia we have had many instances where the poor have been victimized by sharp practices of the money lenders and bank gyps, and it is time to expose these practices by making the true facts known to the consumer about the rates charged for credit.

Mr. PATMAN. Mr. Chairman, in recent months, the National Rural Electric Cooperative to inform the public—particularly our rural citizens—about the need for a strong truth-in-lending bill.

Through the office of its Women's Activities Coordinator, Mrs. Erma Angeline, NRECA and the Ellens have, as part of the conference committee when it considers the bill, asked that the major loopholes be closed and that the committee report with in the manner I have suggested.

Mr. BINGHAM. Mr. Chairman, the purpose of the amendment proposed by the gentleman from Virginia [Mr. Poff], for which I voted this afternoon, is to make loan-sharking activities by organized crime syndicates feasible. I trust that the amendment will be carefully studied by the Senate-House conference committee when it considers the bill, as the distinguished chairman, the gentleman from Wisconsin, has indicated would be the case. Certainly it is not good legislative practice to have a far-reaching amendment of this kind considered for the first time on the floor of the House without extensive debate, but the machinations of the organized crime syndicates deserve Federal attention and adoption of the Poff amendment will guarantee this attention. If, after studying the provisions of the Poff amendment, the conference committee should decide that the provisions are too vague or too broad and that innocent persons may be put in jeopardy, I trust that the conference committee will either revise the provisions so as more precisely to pinpoint the evil attacked or will reject the amendment altogether, with a view to having the provisions studied in greater detail by appropriate committees in both Houses.

I respect those few of my colleagues who voted against the amendment because of what they felt were its technical imperfections, but I am confident that such technical imperfections can be dealt with in the manner I have suggested.

Mr. HORTON. Mr. Chairman, I rose in support of the Consumer Credit Protection Act of 1968. There is wide support for truth-in-lending legislation in this Congress between lenders and among sellers and buyers. It is fair to say that there is a real consensus on the need for fair and full information on the costs of borrowing money, and on the costs of buying merchandise "on time."

Under this bill, lending institutions and sellers will be required to disclose in easily understandable and uniform terms what the cost of credit will be in a particular transaction. This will enable the consumer to know what he is paying and to shop for a good deal on credit as on any other product. As a result, the consumer can select his creditor or lender with his eyes wide open, and with a full understanding of the transaction he is about to enter.

In addition, the several factors included in total financing charges are subject to these disclosure requirements—for example, where credit life insurance is mandatory, this fact, plus a detailed statement of its costs must be disclosed to the borrower.

Mr. Chairman, the Congress does not, by enacting this bill, impose any ceilings or regulations on interest rates or installment buying and selling practices. These matters, in most cases, are the rightful province of the States. The bill does include, however, two provisions which strongly discourage unfair and illicit credit practices.

The first restricts the garnishment of employee wages to no more than 10 percent of earnings above $30 per week, and it forbids employers from firing an employee for his first garnishment. This provision is patterned on the laws of New York and other States.

The second provision, puts the teeth of Federal enforcement behind State laws prohibiting loan-sharking, or lending at interest rates by making violations of State interest laws a Federal offense. This provision is among the most important in the legislation. It hits hardest at organized crime, which derives a large income each year from loan-shark operations. This section of the
Mr. CHENEL, Mr. Chairman, I rise in support of the Consumer Protection Act.

This measure, generally known as the truth-in-lending bill, is the most important piece of consumer protection legislation to come before the House of Representatives in many sessions.

This bill will allow us, as consumers, to shop knowledgeably for credit.

Unlike groceries which are sold for so much a pound, and therefore with easily comparable prices, credit charges have not been regularly disclosed, and when disclosed, they have not generally been disclosed in a complete and comparable manner. Put simply, what the truth-in-lending law will do is to require complete disclosure, in writing in advance, of the total dollar costs of credit, stated in a readily comparable annual rate. Thus, it will allow us to shop for credit. Everyone will know how much they are paying and at what rate. Consumers will then knowingly be able to reject excessive credit charges.

The House bill, as amended, will require credit cost disclosure for practically all consumer credit. It will cover consumer bank loans, finance company loans, credit union lendings, installment credit sales, revolving credit, and home mortgages. Credit purchases on credit cards at department stores, and of automobiles, furniture, and appliances will be with complete disclosure.

What is complete disclosure under the bill? It is disclosure of all credit costs, including those figured as a percentage of the amount of credit extended, points on home loans, loan fees, credit life insurance and the like. All mandatory charges imposed by the creditor and payable by the borrower incident to the extension of credit must be disclosed.

Not only must all these charges be disclosed, but they must be stated in dollars and cents as the total cost of credit. And this cost must also be stated as an annual rate.

Thus the 6-percent, 12-month automobile loan in which the credit costs are added into the loan and paid off in 12 equal monthly installments would be stated as 10.90 percent per annum interest on the unpaid balance. This certainly will make it easier to compare credit charges.

The bill also requires that credit costs and rates be disclosed in writing in advance of the transaction. Disclosure also will be required of the number, amount and due dates of payments, as well as of any penalties for late payments.

Revolving credit accounts, like those used by most department stores, are a growing source of consumer credit. To assure knowledgeable shoppers for this form of credit the bill requires, in addition to total cost and rate disclosure, that the seller tell the buyer the following:

- The basic conditions of the credit plan;
- The method of calculating credit costs;
- The nature and calculation method of any late costs or penalties;
- The outstanding balance at the beginning of the billing period;
- The amount and date of each extension of credit, and a description of any goods which were purchased;
- The total amount credited to the buyer's account during the billing period;
- The total amount of credit charges incurred in the billing period, including a breakdown of those which are due to a percentage charge, and those due to a fixed fee; and
- The date by which payment must be received to avoid any penalty or late fee.

Thus there is extensive coverage of this form of credit. Revolving credit buyers, who in one form or another are charged interest, will now be more able to decide whether to buy on time and if they do whether they are paying more or less than they might pay elsewhere.

In this area, it is worth a moment's pause to point out that a considerable part of the cost of revolving credit costs does not represent true interest costs. Most of the costs of extending revolving credit are service charges much like those charged by banks on the processing of personal checks. Each charge entry and each payment on the revolving credit account, like each check and each deposit, requires considerable processing. The revolving credit charges must meet these costs as well as the interest costs of loaning money. Thus it is to be expected that the rates quoted on revolving credit will be considerably higher than the rates quoted on sizable loans which do not entail so large a processing factor. This fact may require a revision of the handling of revolving credit disclosure as the costs are reduced.

Also, the annual rate disclosure required by the law is not a totally accurate description of the credit costs. If revolving accounts do not, for example, credit payments made during the billing period are reversed out of the revolving charges, the costs will be higher, but the annual rate figure will not reflect it.

However, we cannot solve all the problems at the outset. What we must do is to keep a very close watch on the functioning of the disclosure system this bill will establish. To make the chances, if any, which are suggested by malfunctions in the system.

By adopting the amendment requiring disclosure of credit charges under $10 and annual rate quotations for revolving credit, we have solved all the problems. We must continue to be watchful. Too, the conference will have the chance to work its will on this measure, and any final judgment must await the actual enactment of this measure.

Not all the significant provisions of the truth-in-lending bill deal directly with the extension of credit. Title II of the bill provides by prohibitions with certain exceptions the garnishment of the first $30 of wages each week, and 90 percent of all wages over that amount. Further still, and perhaps even more importantly, the bill prohibits the discharge of any employee on the ground that he has on one occasion had his wages attached. This will relieve a great pressure and threat from all workers, and especially those at the lower income levels.

Title III of the bill will establish a Consumer Finance Commission to study the functioning and structure of the consumer finance industry. This will help us keep an eye on the mechanics of the truth-in-lending measure and on any aberrations which need to be corrected.

In short, the truth-in-lending bill is a major piece of legislation. It takes us a long way from the old caveat—let the buyer beware. It is a step toward the ideal of fully informed and truly knowledgeable buyers—and fair sellers.

Mrs. SULLIVAN, Mr. Chairman, this bill has been a thrilling experience and I want to thank all of the Members on both sides of the aisle who have been helpful on this legislation, particularly the chairman of the Banking Committee, Mr. PATMAN; the ranking minority member, Mr. WIENALL—I must admit he has given me some problems from time to time but he is always a gentleman and he fights clean; the sponsors of this bill Mr. GONZALEZ, Mr. MINISH, Mr. ANNUNZIO, Mr. BINGHAM, and Mr. HALPERN—it took courage to put their names on this bill back on July 20 when it was introduced and contained provisions on truth-in-lending; the chairman of the Federal Court Bankruptcy Referees and some of the great local experts on this subject, a completely new attitude developed on the garnishment issue.

I cannot begin to single out all the people who have helped in drafting or suggesting revisions in the bill to improve it. The staff has worked terribly hard. The furniture dealers' Washington representative, Mr. Spencer Johnson, was one of the first in the business field to really get busy on alerting independent retailers to the explosion the small business and independent business from the revolving credit amendment, and the banking community, when it finally did become involved at the local level, was very effective. Evelyn Dubrow and her volunteers who did a conscientious job of explaining many of the civic and voluntary and labor organizations, did a wonderful job in alerting consumers and Betty Furness I am proud of. As far as I am concerned, the put much more than the rest of the administration combined. She is a worthy successor to Esther Peterson. I know the Members of the House are my friends and will not be critical of the
immodesty in my reading now the most touching and the most wonderful communication I have ever received on this subject. It was in my office last night when I returned from the floor after the terrific landslide vote on revolving credit and the $10 exemption, and I hope everyone will easily understand this message because of the history of the 8-year battle over this legislation and the fact that this is the first time this legislation has ever been considered in the House. The message is as follows:

"God bless you, dear lady, for your work and bravery. It could not have been done without you and, from all I hear, you were the deciding factor. There are millions who will yet rise up and call you blessed.

With love and affectionate gratitude.

Paul H. Douglas"

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. ALBEM) having assumed the chair, Mr. Price of Illinois, Chairman of the Committee on Banking and Currency of the House of Representatives, reported that this Committee, having had under consideration the bill (H.R. 11601) to safeguard the consumer in connection with the utilization of money on credit by requiring full disclosure of the terms and conditions of finance charges in credit transactions or in offers to extend credit; by establishing maximum rates of finance charges in credit transactions; by authorizing the Board of Governors of the Federal Reserve System to issue regulations dealing with the excessive use of credit for the purpose of trading in commodity futures contracts affecting consumer prices; by establishing machinery for the use during periods of national emergency of temporary controls over credit to prevent inflationary spirals; by prohibiting the garnishment of wages; by creating the National Commission on Consumer Finance to study and make recommendations on the need for further regulation of the consumer finance industry, and for other purposes.

Mr. GERALD R. FORD (during the reading). Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman from Illinois would be recognized.

Mr. GERALD R. FORD. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman from Michigan would be recognized.

Mr. GERALD R. FORD. Mr. Speaker, is the Clerk reading the Post amendment?

The SPEAKER pro tempore. The gentleman is correct.

Mr. GERALD R. FORD. Mr. Speaker, I ask unanimous consent that the Post amendment be considered as read and printed in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER pro tempore. The question is on the amendment.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. GERALD R. FORD. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make a point of order that a quorum is not present.

"(1) Organized crime is interstate and international in more than 75 percent of its activity.

"(2) Organized crime is engaged directly in interstate and foreign commerce, as well as in the interstate and foreign commerce in or affecting interstate and foreign commerce, and other thing use, or to record any loan or forbearance or any part of such transaction in violation of subsections (1) and (2) of this section shall be fined not more than $5,000 or imprisoned not more than 5 years, or both.

"(6) The provisions of subsection (b) of this section do not apply to any extension of credit which is both--"
The SPEAKER pro tempore. Evidently a quorum is not present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll. The question was taken and there were 285, nays 5, not voting 43, as follows:

(Roll No. 12) YEAS—383

Baker
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Buchanan
Carter
Collins
Coryell
Dawson
Eisenhower
Exon
Fong
Ford
Franken
Garner
Gardner
Glover
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Mr. WIDNALL. Mr. Speaker, I offer a motion to recommit. The SPEAKER. The motion is pending. Mr. McCLURE. Mr. Speaker, I offer a motion to recommit. The Speaker. The motion is pending. Mr. WAGGONNER, Mr. Speaker, I ask unanimous consent to withdraw the request for a separate vote. The SPEAKER. The request notes that the vote must still be on the committee amendment. The question is on the amendment. The amendment was agreed to. The motion to reconsider is pending. The Speaker. The request is on the passage of the bill. Mr. WIDNALL. Mr. Speaker, on that I demand the yeas and nays. The yeas and nays were ordered. The question was taken, and there were—yeas 393, nays 4, not voting 44, as follows: [Roll No. 13] YEAS—393

Mr. PATMAN. Mr. Speaker, I offer a motion. The Clerk reads as follows: Motion offered by Mr. Patman: Strike out all after the enacting clause of the bill, H.R. 11601, as passed, as follows: Section 1. This Act may be cited as the “Consumer Credit Protection Act”. TITLE I—CREDIT TRANSACTIONS Sec. 101. (a) The Federal Reserve Act is hereby amended by striking the first sentence and inserting:

“TITLE I—THE FEDERAL RESERVE ACT

SECTION 1. SHORT TITLE AND DEFINITIONS

This title may be cited as the “Federal Reserve Act.”

(b) Title I of the Federal Reserve Act is hereby amended by changing “Act” wherever that word is used with reference to title I of the Federal Reserve Act (as so designated by subsection (a) of this section) to read “title”. (c) The Federal Reserve Act is hereby amended by adding at the end the following:

“TITLE II—CREDIT TRANSACTIONS

DECLARATION OF PURPOSE

Sec. 201. The Congress finds that economic stabilization would be enhanced and that competition among the various financial institutions and other firms engaged in the extension of consumer credit would be strengthened by the informed use of credit. The informed use of credit results from an
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AWARENESS OF THE COAST THREATS BY CONSUMERS. It is the purpose of this title to assure a meaningful disclosure of credit terms so that the consumer will be able to compare more readily the alternative credit terms available to him and avoid the uninformed use of credit.

DEFINITIONS

"Sec. 203. For the purposes of this title:

(a) 'Board' means the Board of Governors of the Federal Reserve System.

(b) 'credit' means the right granted by a creditor to a consumer or other than an organization to defer payment of debt or to incur debt and defer its payment, where the debt is: (1) acquired by the creditor primarily for personal, family, household, or agricultural purposes. The term does not include any contract in the form of a bailee or lease unless the option of becoming, the owner of the goods upon full compliance with the provisions of the contract.

(c) 'consumer credit sale' means a transaction in which credit is granted to the consumer in connection with the sale of goods or services, if such seller regularly engages in credit transactions as a seller, and such goods or services are purchased primarily for a personal, family, household, or agricultural purpose.

(d) 'finance charge' means the sum of all the mandatory charges imposed directly or indirectly by a creditor, and payable directly or indirectly by an obligor, as an incident to the extension of credit, including loan fees, service and carrying charges, discounts, interest, and the like, to the extent that such information is not included in the term 'consumer credit sale'.

(1) 'organization' means a corporation, government or governmental subdivision or agency, business or other trust, estate, partnership, or association.

(2) 'State' means any State, the Commonwealth of Puerto Rico, or the District of Columbia.

DISCLOSURE OF FINANCE CHARGES; ADVERTISING

"Sec. 203. (a) Each creditor shall furnish to each person to whom credit is extended and each person to whom credit is extended for a period of not less than six months, and such information in a form which has been prescribed by regulations prescribed by the Board, which indicates the charge for the particular sale shall be made on or before the date the first payment for that sale is due.

(b) This subsection applies to extensions of credit other than consumer credit sales or transactions under an open end credit plan. Any creditor making a loan or other extension of credit under which a finance charge or charges shall be imposed the information required by this subsection shall disclose, to the extent applicable:

(1) the amount of credit of which the obligor will have the actual use, or which is purchased by the obligor, or by or on whose behalf the credit is extended has approved in writing the amount of a charge or charges attributable thereto, then the disclosure required by this subsection for the particular sale shall be made on or before the date the first payment for that sale is due.

(c) This subsection applies to extensions of credit other than consumer credit sales or transactions under an open end credit plan. Any creditor making a loan or other extension of credit under which a finance charge or charges shall be imposed the information required by this subsection shall disclose, to the extent applicable:

(1) the amount of credit of which the obligor will have the actual use, or which is purchased by the obligor, or by or on whose behalf the credit is extended has approved in writing the amount of a charge or charges attributable thereto, then the disclosure required by this subsection for the particular sale shall be made on or before the date the first payment for that sale is due.

(2) all charges, individually itemized, which are included in the amount of the credit extended but which are not part of the finance charge.

(3) the total amount to be financed (the sum of items (1) and (2) above).

(4) the amount of the finance charge.

(5) the finance charge expressed as an annual percentage rate.

(6) the number, amount, and due dates or periods of payments scheduled to repay the indebtedness.

(7) the default, delinquency, or similar charges payable in the event of late payment.

(8) a description of any security interest held or to be retained or acquired by the creditor in connection with the extension of credit or the charge or charges in the event of default as a security for the payment of such charge or charges, or the default, delinquency, or similar charges payable in the event of late payment.

(9) a description of any security interest held or to be retained or acquired by the creditor in connection with the extension of credit or the charge or charges in the event of default as a security for the payment of such charge or charges, or the default, delinquency, or similar charges payable in the event of late payment.
(d) (1) This subsection applies to open end credit plans.

(2) Before opening any account under an open end credit plan, the creditor shall, to the extent applicable, disclose to the person to whom credit is to be extended-

(A) the conditions under which a finance charge may be imposed, including the time period, if any, within which any credit extended may be repaid without incurring a finance charge;

(B) the method of determining the amount of the finance charge (including any minimum or fixed amount imposed as a finance charge), the annual percentage rate of the finance charge to be imposed, if any, and, in the case of an installment open end credit plan, the equivalent annual percentage rate;

(D) the conditions under which any other charges may be imposed, and the method by which they will be determined;

(E) the conditions under which the creditor will acquire any security interest in any property to secure the payment of any credit extended under the plan, and a description of the interests or interests which may be so retained or acquired.

(3) For each billing cycle at the end of which there is an outstanding balance under any such account, the creditor shall disclose, to the extent applicable-

(A) the outstanding balance in the account at the beginning of the billing period;

(B) the amount of the charge, if any, for the use of credit during the period and, if a purchase was involved, a brief identification (unless otherwise provided) of the goods or services purchased;

(C) the total amount credited to the account during the period;

(D) the amount of any finance charge added to the account during the period, itemized to show the amount, if any, due to the application of a percentage rate and the amount, if any, imposed as a minimum or fixed charge;

(E) the finance charge expressed as an annual percentage rate;

(F) the balance on which the finance charge was computed and a statement of how the balance is determined, and, if a statement is not used, the account year and the amount of such payments shall also be disclosed;

(G) the outstanding balance in the account at the end of the period; and

(H) the date, if any, on which, or the period (if any) within which, payment must be made to avoid additional finance charges.

(4) If a creditor adds to this billing under an open end credit plan, the creditor shall not disclose any information which has been disclosed previously in compliance with subsections (b) or (c).

Any creditor under an open end credit transaction shall furnish any party to the transaction with a written estimate of the approximate annual percentage rate of the finance charge on the transaction determined in compliance with the procedure prescribed by the Board, if the party making the request specifies the identification, including the name and address, of the party to whom the information is to be furnished.

(5) If a consumer asks the creditor to express the finance charge as an annual percentage rate, the creditor shall provide such consumer with such statement in the form prescribed by the Board.

(6) The provisions of this subsection shall not apply to-
count, or other method of computing a finance charge.

(3) Prescribing reasonable tolerances of accuracy with respect to disclosing information under section 203.

(b) In exercising regulations with respect to reasonable tolerances of accuracy as required by subsection (a)(3), the Board shall establish procedures reasonably adapted to avoid any such errors.

(1) The annual percentage rate may be rounded to the nearest quarter or one percent unit of credit transactions payable in substantially equal installments when a creditor determines the total finance charge on the basis of a single add-on discount. Such tables or charts may provide for the disclosure of annual percentage rates which vary up to 8 percent of the rate as defined by section 202(1). However, any creditor may voluntarily use other tables or charts in such a manner so as to consistently understate the annual percentage rate, as defined by section 202(1), shall be liable for civil and criminal penalties under section 206(b) of this title.

(2) The use of rate tables or charts may be authorized in cases where the total finance charge is determined in a manner other than that specified in paragraph (1). Such tables or charts may provide for the disclosure of rates which vary up to 8 percent of the rate defined by section 202(1). However, any creditor may voluntarily use other tables or charts in such a manner so as to consistently understate the annual percentage rate, as defined by section 202(1), shall be liable for civil and criminal penalties under section 206(b) of this title.

(3) In the case of creditors determining the annual percentage rate in a manner other than as described in paragraph (1) or (2), the Board may authorize other reasonable tolerances.

(4) In order to simplify compliance where irregular payments are involved, the Board may authorize tolerances greater than those specified in paragraph (2).

Any regulation prescribed under this section may contain such classifications and differentiations and may provide for such adjustments and exceptions for any class of transactions as the Board may consider necessary or proper to effectuate the purposes of section 203 or to prevent circumvention or evasion of the requirements of this section.

(5) Any regulation prescribed under this section may contain such exceptions for any class of transactions as the Board may consider necessary or proper to effectuate the purposes of section 203 or to prevent circumvention or evasion of the requirements of this section.

(6) In the exercise of its powers under this title, the Board may request the views of other Federal agencies upon such issues as are brought to its attention by creditors, and may consult with such agencies.

The Board shall establish an advisory committee, to advise and consult with it in the exercise of its powers under this title. The committee shall consist of not more than 12 persons appointed by the Board, and shall include representatives of the interests of sellers of merchandise on credit, lenders, and the public. The committee shall meet from time to time at the call of the Board and shall be paid transportation expenses and not to exceed $1,000 per diem.

**EFFECT ON STATE LAWS**

Sec. 205. (a) This title shall not be construed to require any creditor to charge on any loan secured by security interest in real property in any amount greater than the amount that could be charged on a loan secured by security interest in personal property, unless such security interest in real property is subject to the jurisdiction of the Federal Trade Commission or to the provisions of the Federal Trade Commission Act.

(b) No bank or thrift institution is subject to the jurisdiction of the Federal Home Loan Bank Board, as provided in section 205 of the Interstate Commerce Commission Act of 1956 (49 Stat. 952), if such bank or thrift institution is subject to the jurisdiction of the Interstate Commerce Commission.

(2) In any action brought under this subsection in which it is shown that the creditor charges on any loan secured by security interest in real property in any amount that is greater than the amount that could be charged on a loan secured by security interest in personal property, unless such security interest in real property is subject to the jurisdiction of the Federal Trade Commission or to the provisions of the Federal Trade Commission Act, the court shall impose a reasonable penalty not to exceed $1,000,000, and shall enjoin the creditor from making any such loan secured by security interest in real property in any amount that is greater than the amount that could be charged on a loan secured by security interest in personal property, unless such security interest in real property is subject to the jurisdiction of the Federal Trade Commission or to the provisions of the Federal Trade Commission Act.

(3) In any action brought under this subsection in which it is shown that the creditor charges on any loan secured by security interest in real property in any amount that is greater than the amount that could be charged on a loan secured by security interest in personal property, unless such security interest in real property is subject to the jurisdiction of the Federal Trade Commission or to the provisions of the Federal Trade Commission Act, the court shall impose a reasonable penalty not to exceed $1,000,000, and shall enjoin the creditor from making any such loan secured by security interest in real property in any amount that is greater than the amount that could be charged on a loan secured by security interest in personal property, unless such security interest in real property is subject to the jurisdiction of the Federal Trade Commission or to the provisions of the Federal Trade Commission Act.

(4) In any action brought under this subsection in which it is shown that the creditor charges on any loan secured by security interest in real property in any amount that is greater than the amount that could be charged on a loan secured by security interest in personal property, unless such security interest in real property is subject to the jurisdiction of the Federal Trade Commission or to the provisions of the Federal Trade Commission Act, the court shall impose a reasonable penalty not to exceed $1,000,000, and shall enjoin the creditor from making any such loan secured by security interest in real property in any amount that is greater than the amount that could be charged on a loan secured by security interest in personal property, unless such security interest in real property is subject to the jurisdiction of the Federal Trade Commission or to the provisions of the Federal Trade Commission Act.

(5) In any action brought under this subsection in which it is shown that the creditor charges on any loan secured by security interest in real property in any amount that is greater than the amount that could be charged on a loan secured by security interest in personal property, unless such security interest in real property is subject to the jurisdiction of the Federal Trade Commission or to the provisions of the Federal Trade Commission Act, the court shall impose a reasonable penalty not to exceed $1,000,000, and shall enjoin the creditor from making any such loan secured by security interest in real property in any amount that is greater than the amount that could be charged on a loan secured by security interest in personal property, unless such security interest in real property is subject to the jurisdiction of the Federal Trade Commission or to the provisions of the Federal Trade Commission Act.

(6) In any action brought under this subsection in which it is shown that the creditor charges on any loan secured by security interest in real property in any amount that is greater than the amount that could be charged on a loan secured by security interest in personal property, unless such security interest in real property is subject to the jurisdiction of the Federal Trade Commission or to the provisions of the Federal Trade Commission Act, the court shall impose a reasonable penalty not to exceed $1,000,000, and shall enjoin the creditor from making any such loan secured by security interest in real property in any amount that is greater than the amount that could be charged on a loan secured by security interest in personal property, unless such security interest in real property is subject to the jurisdiction of the Federal Trade Commission or to the provisions of the Federal Trade Commission Act.

(7) In any action brought under this subsection in which it is shown that the creditor charges on any loan secured by security interest in real property in any amount that is greater than the amount that could be charged on a loan secured by security interest in personal property, unless such security interest in real property is subject to the jurisdiction of the Federal Trade Commission or to the provisions of the Federal Trade Commission Act, the court shall impose a reasonable penalty not to exceed $1,000,000, and shall enjoin the creditor from making any such loan secured by security interest in real property in any amount that is greater than the amount that could be charged on a loan secured by security interest in personal property, unless such security interest in real property is subject to the jurisdiction of the Federal Trade Commission or to the provisions of the Federal Trade Commission Act.

(8) In any action brought under this subsection in which it is shown that the creditor charges on any loan secured by security interest in real property in any amount that is greater than the amount that could be charged on a loan secured by security interest in personal property, unless such security interest in real property is subject to the jurisdiction of the Federal Trade Commission or to the provisions of the Federal Trade Commission Act, the court shall impose a reasonable penalty not to exceed $1,000,000, and shall enjoin the creditor from making any such loan secured by security interest in real property in any amount that is greater than the amount that could be charged on a loan secured by security interest in personal property, unless such security interest in real property is subject to the jurisdiction of the Federal Trade Commission or to the provisions of the Federal Trade Commission Act.

(9) In any action brought under this subsection in which it is shown that the creditor charges on any loan secured by security interest in real property in any amount that is greater than the amount that could be charged on a loan secured by security interest in personal property, unless such security interest in real property is subject to the jurisdiction of the Federal Trade Commission or to the provisions of the Federal Trade Commission Act, the court shall impose a reasonable penalty not to exceed $1,000,000, and shall enjoin the creditor from making any such loan secured by security interest in real property in any amount that is greater than the amount that could be charged on a loan secured by security interest in personal property, unless such security interest in real property is subject to the jurisdiction of the Federal Trade Commission or to the provisions of the Federal Trade Commission Act.

(10) In any action brought under this subsection in which it is shown that the creditor charges on any loan secured by security interest in real property in any amount that is greater than the amount that could be charged on a loan secured by security interest in personal property, unless such security interest in real property is subject to the jurisdiction of the Federal Trade Commission or to the provisions of the Federal Trade Commission Act, the court shall impose a reasonable penalty not to exceed $1,000,000, and shall enjoin the creditor from making any such loan secured by security interest in real property in any amount that is greater than the amount that could be charged on a loan secured by security interest in personal property, unless such security interest in real property is subject to the jurisdiction of the Federal Trade Commission or to the provisions of the Federal Trade Commission Act.

(11) In any action brought under this subsection in which it is shown that the creditor charges on any loan secured by security interest in real property in any amount that is greater than the amount that could be charged on a loan secured by security interest in personal property, unless such security interest in real property is subject to the jurisdiction of the Federal Trade Commission or to the provisions of the Federal Trade Commission Act, the court shall impose a reasonable penalty not to exceed $1,000,000, and shall enjoin the creditor from making any such loan secured by security interest in real property in any amount that is greater than the amount that could be charged on a loan secured by security interest in personal property, unless such security interest in real property is subject to the jurisdiction of the Federal Trade Commission or to the provisions of the Federal Trade Commission Act.

(12) In any action brought under this subsection in which it is shown that the creditor charges on any loan secured by security interest in real property in any amount that is greater than the amount that could be charged on a loan secured by security interest in personal property, unless such security interest in real property is subject to the jurisdiction of the Federal Trade Commission or to the provisions of the Federal Trade Commission Act, the court shall impose a reasonable penalty not to exceed $1,000,000, and shall enjoin the creditor from making any such loan secured by security interest in real property in any amount that is greater than the amount that could be charged on a loan secured by security interest in personal property, unless such security interest in real property is subject to the jurisdiction of the Federal Trade Commission or to the provisions of the Federal Trade Commission Act.
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over which they would have jurisdiction in the absence of this Act.

TITLE II—RESTRICTION ON GARNISHMENT OF WAGES

Sec. 201. The Congress finds that garnishment of wages is frequently an essential element in predatory money lending transactions and that the resulting disruption of employment, production, and consumption constitutes a substantial burden upon interstate commerce.

Sec. 202. (a) Except as provided in subsection (b) of this section, no more than 10 percent of the proceeds of any transaction provided for in section 202(a) of this title may be attached, garnished, or otherwise subject to any similar legal or equitable process or order. Any suit for legal or equitable process of any kind may be brought and, if the defendant is served, the court may issue any order that may be necessary to protect the rights of any party.

(c) The Secretary of Labor, acting through the Wage and Hour Division of the Department of Labor, shall enforce the provisions of this section.

Sec. 203. (a) No employer may require as a condition of employment that a person shall be employed by or work for another person or be subject to garnishment or other legal or equitable process of any kind. Any suit for legal or equitable process of any kind may be brought and, if the defendant is served, the court may issue any order that may be necessary to protect the rights of any party.

Sec. 204. This title shall not be construed to apply to any extension of credit by a person who is not employed by the United States or any other foreign government or by any foreign or domestic bank or other financial institution. The laws of any State or foreign country, or any foreign government, or any State or foreign government, or any foreign or domestic bank or other financial institution, may be applied to any such extension of credit in accordance with the provisions of this title.

TITLE III—COMMISSION ON CONSUMER FINANCE

Sec. 301. ESTABLISHMENT.—There is established a bipartisan National Commission on Consumer Finance (referred to in this title as the “Commission”).

Sec. 302. MEMBERSHIP OF THE COMMISSION.—The Commission shall be composed of nine members, three of whom shall be appointed by the President, one of whom he shall designate as Chairman.

Sec. 303. COMPENSATION OF MEMBERS.—(a) Members of the Commission who are members of Congress shall serve without compen-
The title was amended so as to read: "An Act to safeguard the consumer in connection with the utilization of credit by requiring full disclosure of the terms and conditions of finance charges in credit transactions or in offers to extend credit; by restricting the garnishment of wages; and by creating the National Commission on Consumer Finance to study and make recommendations on the need for further regulation of the consumer finance industry, and for other purposes."

The motion was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to safeguard the consumer in connection with the utilization of credit by requiring full disclosure of the terms and conditions of finance charges in credit transactions or in offers to extend credit; by restricting the garnishment of wages; and by creating the National Commission on Consumer Finance to study and make recommendations on the need for further regulation of the consumer finance industry, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 11001) was laid on the table.

AUTHORIZATION TO MAKE CORRECTIONS IN THE HOUSE AMENDMENT TO S. 5

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the Clerk may correct designations of sections and cross-references in the House amendment to the bill of the Senate, S. 5.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

GENERAL LEAVE TO EXTEND

Mr. PATMAN Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

LEGISLATIVE PROGRAM FOR THE WEEK OF FEBRUARY 5, 1968

Mr. GERALD R. FORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. GERALD R. FORD. Mr. Speaker, I take this time for the purpose of asking the distinguished Majority Leader, Mr. Albert, the program for the remainder of this week and the program for next week.