Although there is a right-to-work law in the State, and perhaps in the constitution of the State, it was not made an issue in any court that we know of.

Mr. Rose, the general manager of a small steel corporation in Florida, told of not being allowed to install a sequencer. He had nonunion men. The installation part of contract was taken away by "buy labor peace." By incurring or by implication Mr. Rose was told that instead of the electrical union insisted on installing the equipment, there would be a strike on the cape. It was suggested by one union leader to Mr. Rose that it was his patriotic duty to capitulate to the union. Mr. Rose called it patriotic blackmail.

It seems to me that the enforcement machinery of existing law applied by an aggressive Department of Labor could erase a situation which has gotten pretty bad and pretty serious.

I shall not belabor the Record any more today, Mr. President, by citing other incidents on such situations as that which recently came to light in Philadelphia. These situations must be followed up and made evidence wherever it is that we shall hold committee sessions and public hearings when the evidence discloses unsavory conditions. I hope deeply that our committee will shortly go into an executive session to tailor proposed legislation to meet the specific problems the investigations has disclosed.

Beyond that, I again express the hope that the Congress, before adjournment this year—I hope before the end of June—will pass legislation to make the type of situations which have been discussed today impossible, with penalties sufficiently great so that if there are violations in the first instance there will not be many of them because those engaging in making such violations will recognize that the American public has made up its mind "first things come first" and that no selfish group has the right to jeopardize the security of every American for temporary gain for itself.

EXECUTIVE SESSION

Mr. HUMPHREY. Mr. President, I move that the Senate go into executive session for the consideration of the nomination at the desk.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

SUPERINTENDENT OF THE MINT OF THE UNITED STATES AT DENVER, COLO.

The PRESIDING OFFICER. The clerk will state the nomination.

The legislative clerk read the nomination of Fern V. Miller, of Colorado, to be Superintendent of the Mint of the United States at Denver, Colo.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

Mr. MUNDT. Mr. President, apparently I am temporarily the only Republican in the Senate. Has this nomination been cleared?

Mr. HUMPHREY. Yes. This is the nomination to be Superintendent of the Mint of the United States at Denver, and it has been cleared with the minority.

Mr. MUNDT. I heard the earlier colloquy. I have no objection.

PRINTING IN THE RECORD OF PRESIDENTIAL PRESS CONFERENCES

Mr. HUMPHREY. Mr. President, I move that the Senate consider legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

Mr. HUMPHREY. Mr. President, I move that the Senate consider legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

LEGISLATIVE SESSION

Mr. HUMPHREY. Mr. President, I move that the Senate be put in executive session to hear the President's message. The motion was agreed to.

Mr. DOUGLAS. Mr. President, I introduce, for appropriate reference, a joint resolution to provide for the printing of the transcript of Presidential press conferences.

The PRESIDING OFFICER. The received and approved.

The joint resolution (H.J. Res. 86) provides that each Presidential press conference held in the Congress shall be printed in the Congressional Record, introduced, received, and referred to the Committee on Rules and Administration.

Mr. HUMPHREY. Mr. President, the press relationships with today is the evolutionary process in the first press a modern press conference in Cleveland, under the administration of Pres. Cleveland by direct quotations required by the President. Under the Eisenhower administration, the first time Presidential press conference on radio and television, while President contributed to the public's interest in the Government by conducting radio press conferences.

What greater importance is the free, unbridled communication system and his people—informative people to attain the necessary to make the conference serve to bring out a habit of friendship to the seas. In no better way can we promote a clearer understanding of the United States and its policies through the official words of our President.

It is with the above consideration to the significance of the President press conference in mind that I introduce this joint resolution authorizing and directing the Joint Committee on Printing to print in the Congressional Record a transcript of each Presidential press conference held while the Congress is in session.

Presently, only nine newspapers in the whole United States print the conferences in their entirety. I compliment those nine newspapers for their great public service. The conferences in the Congressional Record will make them a readily accessible public document to Americans, as well as to our neighbors overseas.

Of course, this could be done by any Senator asking unanimous consent at any time following a press conference that the transcript be made a part of the Congressional Record. It seemed to me, however, it would be much more desirable to have some official action, publicized in the newspapers.

The conferences in the Congressional Record will make them a readily accessible public document to Americans, as well as to our neighbors overseas.

These press conferences will serve a very valuable function for students, for thoughtful leaders, for community leaders, for editors, and others who are keenly concerned about the course of American life.

It is essential for the social and political leaders of a country to keep abreast of its movements. Since the Congress of the United States is widely distributed among the world's opinion-makers, the verbatim reporting of Presidential press conferences would eliminate the oftentimes endless search for the exact statement on any one issue.

While disagreements of facts due to the human element of the news processes will be eliminated. This is most important in light of the posture of the States and its desire to honestly and sincerely promote world understanding. Mr. President, because President Kennedy has taken a bold approach to his press conferences, I sincerely believe the resolution I have introduced today will serve to complement and implement the free exchange of ideas.

The publication of the transcripts of the conferences would be a great public service for all educational institutions and all media of communication.

"TRUTH IN LENDING" BILL

Mr. DOUGLAS. Mr. President, on April 27, 1961, on behalf of myself and 21 other Senators, I introduced the "truth in lending" bill, which would require all lenders to fully disclose to any borrower the cost of consumer credit prior to the consummation of credit transactions.

On Wednesday, May 3, a lengthy speech was made by Senator Bennett on the Senate floor attacking this bill. There were a number of charges made against the bill and its sponsors. I have prepared a reply answering the major...
This page contains a speech discussing the issues of consumer credit, including the cost of credit, disclosure requirements, and the impact of state laws on credit practices. The speech is presented in a clear, logical manner, with specific examples and references to legal principles. The speaker, likely a senator, is addressing the Senate to propose legislation in response to perceived abuses in the credit market. The speech includes references to the costs of credit, the need for disclosure, and the importance of protecting consumers from fraudulent practices. It also highlights the need for consistent enforcement of laws to ensure fair treatment of consumers.
FACTS

Last year opponents complained about the self-ensuring features of the bill. A careful reading of section 7 of the bill will indicate that this bill has been designed to be self-ensuring with a minimum of compliance burden or expenditure. The bill permits the borrower to recover from the lender twice the finance charge involved, up to $2,000 if the lender does not disclose the information required by the bill.

Of course these charges are not new. Every time Congress has considered a bill to require full disclosure or accurate labeling of any goods or services, it has been charged that such a requirement would bring chaos to that industry.

The truth in securities or SEC legislation was opposed on these same grounds over 25 years ago.

More recently the automobile price labeling legislation was opposed on the same grounds.

CHARGE

Finally, we come to the question which should have basic and ultimate concern for all of us, who, as I said at the beginning, should be dedicated to truth in legislation. Is this bill constitutional?

This bill (S. 1740) does rest on a sound constitutional basis.

The Legal Tender cases (79 U.S. 457 [1870]) support the following propositions:

First. The power conferred on Congress by article I, section 8, of the Constitution "to coin money, regulate the value thereof, and of foreign coin" does not limit by its terms the power of Congress with respect to the currency.

Second. This power, coupled with (i) the "necessary and proper clause," and (ii) the denial to the States—article I, section 10—of any power to coin money, emit bills of credit, and so to make anything but gold and silver coin a tender in payment of debts, vests whatever power there is over the currency in Congress.

Third. For an act to be constitutional it is not necessary to show that it is indispensable or that it will give effect to a specified power. Congress has the choice of means to a permissible end.

From these general propositions one may reasonably contend that a requirement by Congress to disclose the cost of credit is an exercise of its power over the currency; such disclosure having been determined by the Congress to be necessary in order to stabilize the economy and protect the value of the currency.

CHARGE

It is charged that—

The language which describes the stated objective of the bill conceals the true purpose.

The alleged true purpose is later identified. It is said by the opponents that—

1. The bill as drafted would require Federal regulation of the methods and procedures by which merchants may extend credit. Even the author of the bill denies this purpose.

2. This legislation would require the establishment of a full-blown Federal price control agency to fix maximum cash ceilings for every merchant and on every item in every corner of the United States, and to compel the borrower to state the percentage of the credit rate.

3. The proponents of the bill have maintained a discreet silence on these points. It is known only that if the Congress determines that any objection is likely, it will control mercy it may be necessary to do so. Hence, the ultimate objective of the bill, it is meaningless without such control. This silence is understandable because it hides the unpalatable truth.

FACTS

These charges that the hidden purpose of the sponsors of this bill is "the establishment of a full-blown Federal price control agency" are certainly without foundation. Everyone recognizes tactics of desperation. When one cannot find fault with the substance of a bill, the motives of the sponsors are questioned.

It is amazing to discover that this opponent can read the minds and motives of the 22 Senators sponsoring this legislation with such complete assurance.

Of course, anyone who has bothered to read this bill can determine for himself whether or not there is one single word in the bill to support or imply any sort of Federal price fixing.

I do not claim any similar extrasensory perception or omniscience. Therefore, I cannot, and will not, attempt to explain the rationale for these accusations.

Furthermore, the language of this bill which allows State regulation when Federal standards are completely met refutes these charges.

Section 6(b) of the bill:

6(b) The Board shall by regulation except from the requirements of this act any credit transactions or class of transactions which it determines are effectively regulated under the laws of any State so as to require the disclosure by the creditor of the same information as is required under section 4 of this act.

Obviously any State can assume the responsibility for administration of the disclosure requirements of this act and take away the job by merely conforming to the simple standards laid down in this bill.

This is a Federal standards bill. It sets criteria for full disclosure of the costs of credit. But the purpose of this section is to encourage the States to improve their disclosure laws so that they may assume the responsibility for enforcement and administration.

It is also interesting to note that some of the same parties who complain most vociferously that States rights are being invaded have opposed this same type of legislation at the State level. One of the arguments used against such full disclosure legislation at the State level is that it would be unfair to require lenders in one State to fully disclose the costs of credit in a meaningful manner while their competitors in other States with inferior credit cost disclosure laws could continue to woo away customers through the use of misleading methods of stating the true cost of credit. That is why Federal standards are needed.

CHARGE

The fulness of the bill as it stands needs no intricate explanation. [A merchant] would be free to fix his prices at levels which would take care of his credit losses and could remain free to advertise to consumers that he made no charge for credit, no matter how long the period of payment was extended.

This is no figment of my imagination; the point has never been denied. If this bill were passed, every merchant in the land would be under heavy pressure to set his prices so as to avoid anyShowing of interest or credit charges. And this could easily be done.

FACTS

This point was discussed and refuted by witnesses from the Credit Union National Association appearing before the committee last year.

There seems to be some fear that if this bill were enacted, merchants who are extending credit concurrently with the purchase of goods would simply lower their financing rates and boost up or "pack" the prices of articles sold. This fear, we believe, is groundless. Normal price competition in the sale of goods in local markets would prevent this from occurring and protect innocent customers for reasons (a) The merchant must first sell his product before customers will use his credit plan.

(b) Consumers carefully shop for goods and services when prices are fully disclosed or stated explicitly.

(c) Attempts by a merchant to hike prices on goods to make his financing charges appear to be more attractive would simply drive his customers into the stores of his competitors.

(d) Those customers who needed credit to purchase particular goods would shop for credit at "independent" lenders and make cash purchases or purchase a lower priced, cash-and-carry merchant.

In short, honest merchants should have nothing to fear. The normal workings of competition in the marketplace would deter any unscrupulous merchants from attempting to pervert the intent of the bill.

[Source: Hearings before a subcommittee of the Committee on Banking and Currency on S. 2755, 86th Cong., 2d sess., consumer credit labeling bill, p. 542.]

This is such a forthright argument that a fuller refutation is in order.

If merchants can easily hide the cost of credit by raising the price of their goods, are services, why have they not done so already?

Most merchants do disclose the dollar cost of credit on monthly bills sent to customers. Also merchants do disclose the true interest rate on their financing charges on a monthly basis.

I fail to see why merchants make a disclosure of the cost of credit now if it is so easy to hide these costs in the prices of their goods.

Later Senator Bennett suggests that this type of disclosure legislation should be left to the States.

Again, I fail to see why lenders would conscientiously comply with State laws which were adequate but would deliberately evade any such Federal law. I hope that the distinguished opponents of this legislation, with his personal experience in the lending field and his deep interest in the problems of consumer credit, will be able to explain why lenders would comply—merchants for the following reasons—with State full disclosure laws where they are effective but would evade any such Federal law requiring the full disclosure of the costs of credit.
Moreover, a little analysis of how free competitive markets work will also demonstrate the fallacy of this charge. We are not keenly aware that in a free and competitive market, merchants are not free to fix prices on their goods at any level they desire in order to absorb or hide the costs of credit. Retail merchants have antitrust laws which can correct this situation. From operating.

The consumer-debtor is not adequately informed of the shifts in consumer credit rates over the business cycle. A law to require that an adequate rate of interest be charged on the amount of consumer credit would give consumers information which would lead any rational family manager to control and stabilize consumer borrowing. When interest rates are increased in boom times, the increase would become apparent and encourage consumer restraint. Conversely, as rates are decreased, consumers might be encouraged to undertake previously postponed purchases.

Furthermore, the second is the relative importance of consumer installment debt. It has grown in influence as a factor in the credit market and in credit market fluctuations. The rapid rate of growth has increased the relative importance of consumer installment debt. One of the greatest dangers is the likelihood of mortgage extensions coming due during booms; the secondary and retarding effects of repayment have often hung over periods of recession. This happening effect is probably contributed to the inequity of the treatment in the modest turns in business activity.

As an amplifying factor, consumer installment debt is responsible for other forms of credit in that its movements have been more in line with the general business cycle. The secondary and stimulating effects of credit extensions come more during booms; the secondary and retarding effects of repayment have often hung over periods of recession. This happening effect is probably contributed to the inequity of the treatment in the modest turns in business activity.

A growing influence in credit market fluctuations has been the relative importance of consumer installment debt. It has grown in influence as a factor in the credit market and in credit market fluctuations. The rapid rate of growth has increased the relative importance of consumer installment debt. One of the greatest dangers is the likelihood of mortgage extensions coming due during booms; the secondary and retarding effects of repayment have often hung over periods of recession. This happening effect is probably contributed to the inequity of the treatment in the modest turns in business activity.

Therefore, I must strongly disagree with Senator BENNETT when he claims that such price fixing 'could easily be done.' It may be easy to enter into such price-fixing agreements, but retailers, I am sure, are perfectly aware that such arrangements are illegal, and I strongly disagree with any suggestion that retailers will attempt to evade this law by violating other laws.

Let us start at the beginning with the objective. Does it state the great truth—or, in fact, is it truth at all?

Charge

Senator BENNETT then read the declaration of purpose of the bill:

The Congress finds and declares that economic stabilization is threatened when credit is used excessively for the acquisition of property or that excessive use of credit results from a lack of awareness of the cost thereof to the user. It is the purpose of this Act to assure a full disclosure of such cost with a view to preventing the uninformed use of credit to the detriment of the national economy.

It is then charged that—

This premise is at best highly debatable. Not a single line of testimony was presented to support this proposition at hearings on a similar bill last year.

Facts

I explained the relationship between full disclosure of credit costs and economic stabilization in a speech on the Senate floor.

Since the end of World War II, mortgage credit has increased almost six times—from $18.6 billion in 1945 to $143 billion in 1960. Consumer credit has increased more than any other type of debt; it increased in 1945 from approximately $15 billion to approximately $55 billion by the end of 1960.

Unintended shifts in this massive consumer debt may well initiate and carry boom too far, intensifying future recessions. This danger is even greater because the cost of much of the consumer debt is not advertised or quoted accurately.

The consumer-debtor is not adequately informed of the shifts in consumer credit rates over the business cycle. A law to require that an adequate rate of interest be charged on the amount of consumer credit would give consumers information which would lead any rational family manager to control and stabilize consumer borrowing. When interest rates are increased in boom times, the increase would become apparent and encourage consumer restraint. Conversely, as rates are decreased, consumers might be encouraged to undertake previously postponed purchases.

Also, part I, volume I, of the 1956 study by the Federal Reserve Board contained a chapter entitled "Consumer Credit and Economic Instability," which is based on a number of studies. A few excerpts from this study should suffice to remove any doubt about this relationship.

The borrower may be ignorant of, or deceived as to, the cost of borrowing or the terms, and this may result in uneconomic decisions. To the extent that a misallocation of the borrower's resources does result, a burden arises from this source.

Our search for truth should lead us to try to discover whether there is any justification for legislation in this field at the Federal level. Have the States been failure to the desirability of accurate, workable laws to provide truth in lending?

Facts

It would appear from the testimony before the committee last year that many of the States do not, at the present time, require adequate disclosure of the cost of credit. The record of the hearings contains several tables which indicate the inadequacies of State laws in this respect.

The record of the hearings last year shows that only one State requires that the cost of credit be described in terms of a true interest rate on the unpaid balance in the form of a truth in lending.

Moreover, a nationwide survey submitted to the committee by the Survey Research Center of the University of Michigan showed that a majority of American consumers were either uninformed or misinformed about the cost of credit.

Thirty-nine percent of those polled did not have any idea of the consumer credit costs. The study found that the remaining 61 percent were not much better informed about the cost of credit. The report stated:

Obviously many people believed that the cost of installment buying is lower than it actually is.

The relatively great frequency with which cost of 4 or 5 and especially 6 percent were mentioned may be interpreted as a carry-over from other information. Especially popular were the claims by some interviewers that they do not know the answer to a simple question. Other studies conducted a few years ago showed that the rate of interest paid on U.S. Government savings bonds is well known (3 percent or about 3 percent was the common answer) and the
some is true of the interest rate obtained on savings accounts. Most people also know that borrowing costs more than what one gets on savings. On the basis of these pieces of information, some people appear to have surmised an answer to the question of cost of installment buying. They mention some percentages which they are familiar with and which seem appropriate to them. Actually, their answers are uninformative guesses.

Even Chairman Martin, of the Federal Reserve System, admitted that he was confused by many of the present practices of stating the cost of consumer credit. Certainly, Chairman Martin's confusion is eloquent testimony to the need for legislation requiring full and accurate disclosure of the cost of credit.

However, Senator BENNETT also asks: [Is there any justification for legislation in this field at the Federal level?]

This suggests that legislation to promote economic stabilization is not a proper function of the Federal Congress. Earlier in this brief, the relationship between inadequate disclosure of the cost of consumer credit and economic instability was demonstrated.

If the Federal Government should not be concerned about economic stability and should not enact laws to promote economic stability, then in the name of consistency the Federal Reserve System should be abolished, commercial banks should be permitted complete power to print currency, and all other tools of the Federal Government which are utilized to promote economic stabilization should be returned to the States.

It is indeed strange to see those who profess such great concern about the evils of inflation suggesting that the prevention of inflation and the promotion of economic stability are not proper functions for the Federal Government.

PROFESSIONAL TEAM SPORTS AND THE ANTITRUST LAWS—INTRODUCTION OF A BILL

Mr. HART. Mr. President, in the last 10 years 37 bills which concern themselves with the legal status of professional team sports under the antitrust laws have been introduced in the Congress. Extensive hearings have been held and informative materials have become a part of the Record over this period of time. Yet, notwithstanding all this attention, the uncertainties and inconsistencies in the present laws have not been resolved. No legislation has passed Congress.

The basic reason for the concern reflected by this legislative history is the inequality of treatment under the law of professional sports under the antitrust laws.

In 1922 the Supreme Court held that professional baseball was exempt from the antitrust laws. This remains the rule of law with respect to baseball. In 1957 the Supreme Court held professional football was exempt from the antitrust laws. The Supreme Court acknowledged this anomaly. While I oversimplify the explanation, careful reading of the several cases in this field indicates that the Court looks to Congress to clarify its intention with respect to the treatment of professional sports under the antitrust laws.


Today, out of order, I ask unanimous consent to introduce into the Record my bill which, if adopted, will resolve the conflict. And, in our judgment, treat fairly the claims of all the persons concerned with this problem, most especially the American public which supports and enjoys these national pastimes. It has given leadership in this effort and I am gratified and believe it significant that he would join in this bill. The bill would treat equally all professional team sports. These games have been described as being those which are not to be a sport, and too much too much a business to be a sport. And, the bill will fit the facts. It will affirm our intention that the antitrust laws apply to professional sports, but exempt the agreements and practices of baseball, football, hockey, and basketball, which are essentially peculiar to the games.

These practices, developed over the years by those whose interests and imagination and money have brought the games to their present level, are essential to the conduct of these sports.

Adoption of this bill would give professional football, baseball, the rapid and responsible growth all of us enjoy, a measure of the heretofore unlimited protection extended by baseball. Adoption of the bill would bring baseball under the reach of the antitrust laws just as are the other sports enumerated in this bill, entitled to the limited protection essential to the operation of the game.

The major leagues are now expanding. This action by organized baseball, we believe, will bring support to the effort being taken in this field. This action by organized baseball is the most dramatic but, certainly, not the only example of the growth and change which has occurred in this game in recent years; growth and change which have been constructive. In clarifying the status of professional sports under the antitrust laws, there is a caution which hardly needs be voiced. It appears wise that Congress sketch broadly an outline of the application of the antitrust laws to team sports and to establish identical positions under the law for the several team sports. But except for this action, Congress should remain in the grandstand. This bill does not authorize the Congress to decide who is a major league nor what constitutes a big league.

In this bill we seek to protect college football from threat of serious harm. With the increasing popularity of professional football, college athletic authorities are very concerned that professional football may crowd out college football's traditional days—Friday and Saturday. This bill, of course, does not attempt to suggest the days on which games of these sports should be scheduled. But it does require that if a game of professional football is played on any day other than Sunday, it must not be televised from a television station located within 50 miles of the site on which an intercollegiate football game is scheduled to be played if such telecasting may harm the sport of football at that college.

If the written consent of the college is given, then telecasting the professional game would be permitted. Absent this protection, college football is placed in serious jeopardy.

Mr. President, I ask unanimous consent that the text of the bill may be printed at this point in the report; that the bill be referred appropriately referred; and that it may be printed for 1 week for any Senators who may wish to do so to consider it.

The PRESIDING OFFICER. Without objection the bill will be received and appropriately referred; and, with formal action, the bill will be mailed in the Record and will lie on the desk, as requested by the Senator from Michigan.

The bill (S. 1835) to limit the applicability of the antitrust laws so as to exempt certain aspects of designated professional sports and other purposes introduced by Mr. Hart (for himself and other Senators), was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the Record, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of July 2, 1890, as amended (29 Stat. 859) and the Act of October 14, 1914, as amended (38 Stat. 700), and the Federal Trade Commission Act, as amended (38 Stat. 717), shall not apply to any contact, agreement, combination, or conspiracy entered into by, or among persons conducting, engaging, or participating in the organized professional team sports of baseball, football, basketball, and hockey which relates to—

(1) the equalization of competitive playing strengths;
(2) the distribution, sale, or supply, or eligibility of players, or the reservation, selection, or assignment of player contracts;
(3) the right to operate within specific geographical areas; or
(4) the preservation of public confidence in the honesty in sports contests.

Sec. 2. No contract, agreement, rule, regulation, or decision in either professional or amateur baseball, football, basketball, and hockey shall constitute a violation of the act if such contract, agreement, regulation, or decision is of a character to promote, advance, or encourage the growth of baseball, football, basketball, or hockey. Provided, however, That the granting by one or more clubs in one league of the right to telecast reports or pictures of contests in the organized professional team sports of baseball, football, basketball, or hockey shall not be a violation of the act if such telecasting is confined to the broadcasting stations located within fifteen miles of the home city of such club and is not broadcast generally through the medium of a radio or television station. Provided, however, That the granting of the right to telecast reports or pictures of contests in the organized professional team sports of baseball, football, basketball, or hockey shall not be a violation of the act if such telecasting is confined to the broadcasting stations located within fifteen miles of the home city of the club granting such right.