

ernment that you do all in your power to see that this money grab is rebuked.

Sincerely,

TETE HENSY.

SHELL KNOB, Mo., July 15, 1967.

Congressman DURWARD G. HALL,
House of Representatives,
Washington, D.C.

HONORABLE CONGRESSMAN: I am writing you in regard to a letter received by me from the Corps of Engineers at Little Rock, Arkansas, dated June 26, 1967.

In this letter they inform private boat dock owners that effective January 1, 1968 a fee will be charged for the use of private installations on Table Rock Lake and other Federal Impoundments.

The Corps of Engineers quote Federal Law (65 Statute 290.5, U.S. Code 140) and state "the annual rate will be \$10.00 plus 7½ cents per year for each square foot of area in excess of 200 square feet." These charges figure up to a "fair rental for private use of federally owned property" of between \$2,000.00 and \$3,000.00 per acre per year.

I consider these charges to be unreasonable, unfair and unjust since we dock owners receive no other benefits from these charges.

I respectfully ask your support of H.R. 11236, which is designed to eliminate these charges by the Corps of Engineers.

Thank you.

EDWARD L. LOGSDON.

CRASH PROGRAM TO FIGHT AGAINST RIOTS, CRIME, AND JUVENILE DELINQUENCY

Mr. BURKE of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

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

There was no objection.

Mr. BURKE of Massachusetts. Mr. Speaker, today I am calling for a crash program to aid in the fight against riots, crime, and juvenile delinquency in the teeming tenement districts of America.

The young people have been forgotten and an attitude of "no one cares" exists throughout the Nation. While we are being called upon to support all kinds of spending programs, it is very apparent that these programs have failed to reach the youth of our country.

I have filed legislation which calls for the Department of the Interior to set up a grant-in-aid program to provide free tickets to professional and amateur sport events which would be distributed by the local police and fire departments. Our youngsters should have available to them the opportunity to review and participate in events which can give them the opportunity to see such great athletes as Willy Mays, Mickey Mantle, Tony Conigliario, Louis Aparicio, Bill Russell, Wilt Chamberlain, Gordie Howe, Lance Alworth, and many others.

This program would serve a twofold purpose in sending the kids out into the fresh air to let them see wholesome games which they can imitate in their parks and playgrounds, and would encourage a better understanding of their police and firemen. Our young people should know and learn that their policemen and firemen are there to help them and to assist the community in maintain-

ing order and peace. They are the friends of the youth of America.

I am calling upon my colleagues in both the House and the Senate to join me in the promotion of this program, to reach into the ghettos and bring some concern and understanding about the plight of these youngsters. The program which was very popular many years ago in Boston was the "knothole gang," which provided free tickets to the neighborhood of Boston and allowed the youngsters to see the Boston Braves—it had an immediate reaction. Youngsters quickly began to emulate these ballplayers in their own backyards and playgrounds.

Ten million dollars a year for 2 years would provide tickets for approximately 80 million games and the opportunity for 20 million youngsters to see four or five amateur or professional games played by our finest athletes.

I know it is possible for our amateur and professional leagues, including baseball, football, basketball, hockey, and soccer, to set aside a number of their seats each game for the purpose of this program, which would prove beneficial to their own popularity and eventual paid attendance. The money the Federal Government could provide would pay for the price of admission for your youth, and the State and local community could provide the funds and arrangements for transportation to and from the games. Nothing would prevent the local business community from participating in the program by supplying pocket money for the purchase of hot dogs, soda, and refreshments so the youngsters could enjoy the game to its fullest degree.

I would like to see the encouragement and development of more people like Sandy Koufax, Ted Williams, Babe Ruth, Lou Gehrig, Jackie Robinson, Tony Lazzari, Steve Spurrier, Sam Jones, K. C. Jones, and other alltime greats.

It is regrettable that many of our large universities and colleges have moved away from athletic programs as a regular part of their curriculum. Although the need for education in America is continually on the increase, the need for a spirit of cooperation and teamwork is now in the critical stage. Let us take our young people out of a dissident atmosphere and give them direction to good outdoor and indoor activity—let us show them that America really cares and really wants the young people to enjoy this great country of ours—let us stop taking negative steps and act in a positive way, to reach down into the grass-roots of the problem of our youth.

I am today contacting President Johnson; Vice President HUBERT HUMPHREY; Speaker of the House JOHN W. MCCORMACK; Democratic House majority leader, CARL ALBERT; Republican House leader, GERALD R. FORD; Senator MIKE MANSFIELD, and Senator EVERETT DIRKSEN, asking them that they interest themselves in this type of program.

CONSUMER CREDIT PROTECTION

Mrs. SULLIVAN. Mr. Speaker, I ask unanimous consent to address the House

for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

Mrs. SULLIVAN. Mr. Speaker, I am today introducing a comprehensive consumer credit protection bill which incorporates "truth-in-lending" legislation as one of its titles, but which also includes provisions dealing with many other problems in connection with the utilization of credit. It is a very far-reaching measure with admittedly highly controversial features.

I am being joined today by a bipartisan group of members of the Subcommittee on Consumer Affairs of the House Committee on Banking and Currency in the introduction of this bill. Not all of the cosponsors endorse all of the provisions of the proposed Consumer Credit Protection Act, but all of us agree that the subjects covered in this bill should be explored in our hearings along with the title applying to credit disclosure.

The cosponsors of the bill—all of them members of the subcommittee—are Representatives HENRY B. GONZALEZ, of Texas, JOSEPH G. MINISH, of New Jersey, FRANK ANNUNZIO, of Illinois, JONATHAN B. BINGHAM, of New York, and SEYMOUR HALPERN, of New York. Other members of the Committee on Banking and Currency, and additional Members of the House who have seen this proposed Consumer Credit Protection Act, have indicated their intention of sponsoring similar legislation, but the bill going in today, as I said, carries only the names of sponsors from the subcommittee handling the legislation.

I know there will be great interest in this legislation and in the hearings we intend to hold early next month. I want to make it clear that by including so many additional aspects of consumer credit protection in this bill, we have no intention of delaying action on truth in lending, now that a bill on this subject has finally passed the Senate after 7 years. We do not think the Senate bill is adequate and it is our intention to strengthen it as much as possible in order to protect the consumer in the use of credit for himself or by others.

Mr. Speaker, I submit at this point in the RECORD a copy of a press release being issued at this time to explain the provisions of the proposed Consumer Credit Protection Act, as follows:

MRS. SULLIVAN INTRODUCES COMPREHENSIVE NEW BILL SAFEGUARDING CONSUMERS IN "UTILIZATION OF CREDIT"

Congresswoman Leonor K. Sullivan, Democrat, of Missouri, Chairman of the Subcommittee on Consumer Affairs of the House Committee on Banking and Currency, announced today a plan to incorporate "Truth-In-Lending" legislation into a broadly enlarged bill with bi-partisan sponsorship to "safeguard the consumer in connection with the utilization of credit."

Its "Truth-In-Lending" section duplicates the scope of the original Douglas bill, which Mrs. Sullivan has sponsored for four years on the House side of the Capitol, but with many of the technical language changes recommended by the Proxmire Subcommittee in the Senate, including the use of an "annual percentage rate" instead of "simple an-

nual rate." It does not, however, contain the exceptions or modifications in coverage made by the bill passed by the Senate compared to the Douglas bill. Thus, it includes revolving credit and first mortgage real estate credit left out of the Senate bill.

"Required disclosure of finance costs in credit transactions is vitally important to the intelligent use of credit," Mrs. Sullivan declared. "But there are many other serious problems in connection with the use of credit than merely the need for disclosure. This bill, which other Members of the Subcommittee handling this legislation have joined me in sponsoring, touches on all of the important gaps in the protection of the consumer in connection with the use of credit. Not every co-sponsor agrees with all provisions because it is a very broad bill with many controversial sections. We are introducing it for the purpose of outlining and dramatizing the scope of this issue, and as a vehicle for hearings.

Members of the Subcommittee on Consumer Affairs co-sponsoring the measure, Mrs. Sullivan said, include: Representatives Henry B. Gonzalez of Texas, Joseph G. Minish of New Jersey, Frank Annunzio of Illinois, Jonathan Bingham of New York, all Democrats, and Seymour Halpern, Republican, of New York. Similar legislation, she said, will probably be introduced by other Members of the full Committee and of the House.

CONSUMER PROTECTION FEATURES

Mrs. Sullivan said the bill, known as the "Consumer Credit Protection Act," would cover the following areas of consumer protection in the use of credit:

1. Require full disclosure of all finance charges in terms of an annual percentage rate in credit transactions or, where applicable, in "offers to extend credit";

2. Establish a Federal ceiling of 18% on the finance charge in any extension of credit "to a natural person" (without disturbing state laws which provide lower ceilings);

3. Prohibit the garnishment of wages to satisfy debts;

4. Create a National Commission on Consumer Finance to investigate all aspects of the consumer finance industry and report to Congress by December 31, 1969, on the adequacy of existing regulatory programs and the desirability of Federal regulation or chartering of consumer finance companies.

INFLATIONARY USE OF CREDIT

In addition to the above safeguards for the consumer in his own use of credit, the bill includes two sections to protect the public from the consequences of excessive use of credit contributing to inflation, particularly in periods of national emergency.

Thus, it would restore to the Board of Governors of the Federal Reserve System standby powers, such as it exercised during World War II and part of the Korean War, to restrict or control the use of credit during a national emergency proclaimed by the President.

Another section of the bill gives to the Federal Reserve System the same powers to set margin requirements in connection with trading in commodity futures contracts that it now holds in the setting of margins for credit transactions on the stock exchanges. The purpose of this section, according to the bill, is to prevent "the excessive speculation in and the excessive use of credit for the creation, carrying, or trading in commodity futures contracts having the effect of inflating consumer prices."

Congresswoman Sullivan said that Chairman Patman of the Committee on Banking and Currency has authorized her Subcommittee on Consumer Affairs to proceed with hearings early next month on "Truth-In-Lending" and related bills, including her proposed "Consumer Credit Protection Act." Members of the Subcommittee, in addition

to the co-sponsors of the new bill, are Representatives Robert G. Stephens, Jr., of Georgia, and Richard T. Hanna, of California, Democrats; Representatives Florence P. Dwyer of New Jersey, Paul A. Fino of New York, Chalmers P. Wylie of Ohio, and Lawrence G. Williams of Pennsylvania, Republicans.

OTHER ISSUES NOT TO DELAY TRUTH IN LENDING

"Nearly all of the Members of my Subcommittee have indicated their strong support for effective 'Truth-In-Lending' legislation," Congresswoman Sullivan declared. "But I think there is general agreement also that disclosure of finance charges is not, in and of itself, sufficient to protect millions of consumers from the depredations of loan sharks or the tragic consequences of over-use of credit by many families misled into undertaking credit obligations they cannot handle.

"Personal bankruptcies reflect this increasing problem. We have never held hearings on consumer credit problems and so we want our hearings to be broad enough and complete enough to cover the full extent of the consumer credit issue. My own study convinces me that the bill which I have prepared deals realistically with urgent problems which requires Federal legislation for effective solutions.

"I hope we can enact the 'Consumer Credit Protection Act' with whatever modifications the hearings dictate, but I certainly want to make it clear that the controversy which is bound to develop over some features of this legislation will not be permitted to stymie effective 'Truth-In-Lending' legislation, now that the Senate has finally, after seven years, passed a credit disclosure bill."

Mrs. Sullivan expressed her deep admiration for the pioneering work done by former Senator Paul H. Douglas of Illinois in originating and battling for "Truth-In-Lending" legislation. She also praised Senator William Proxmire of Wisconsin for his leadership and hard work in winning Senate passage this year for the first time of any bill on this subject.

"Our purpose is to try to build a much stronger consumer protection measure on the foundation of 'Truth-In-Lending' legislation, including a section on 'Truth-In-Credit Advertising' which originated with Chairman Warren G. Magnuson of the Senate Commerce Committee which we have incorporated into this bill. Other sections of this bill grew out of studies by the Subcommittee on Consumer Affairs and the full Committee."

SUMMARY OF THE PROPOSED CONSUMER CREDIT PROTECTION ACT

TITLE I—CREDIT TRANSACTIONS

Disclosure

This title provides for the full disclosure of the terms and conditions of credit in connection with consumer credit transactions. Disclosure requirements provided for are applicable both with regard to the advertisement of credit in connection with a sale or a loan, as well as in the conduct of an actual credit transaction. In advertisement, as well as credit transactions coming within the scope of this act, the creditor is required to provide the buyer or borrower with a statement of the cash sale price, the finance charge, and the annual percentage rate applicable to the credit transaction. In addition to the foregoing, other detailed information must be provided to the consumer in connection with the advertisement or credit transaction involved.

Maximum finance charge

In addition to such disclosure, the act provides that a creditor may neither demand nor accept a finance charge in connection with the extension of credit which exceeds the maximum rate permitted under ap-

plicable State law or 18 percent per annum, whichever is less.

Responsible agency

Regulatory authority to implement the provisions of this title are vested in the Board of Governors of the Federal Reserve System. In addition to authority to issue regulations, the Board is given powers of administrative enforcement to secure compliance with the act. In addition to such administrative enforcement, individuals to whom information is required to be given under the act are authorized to bring civil suit where such information has not been properly provided.

Confession of judgment

With regard to credit transactions coming within the scope of this title, the Act prohibits the use of confessions of judgment (cognovit notes), whereby a debtor waives his rights to full legal process in the creditor's attempt to obtain legal judgment against him.

Criminal penalties

Violation of the act may further result in the imposition of criminal penalties when suit is brought by the United States Attorney General.

Regulation of credit for commodity futures trading

For the purpose of preventing the speculation in, and the excessive use of credit for, the creation, carrying, or trading in commodity futures contract, tending to inflate consumer prices, the act provides that the Board of Governors shall issue regulations governing the amount of credit that may be extended or maintained on any such contracts.

Emergency control of consumer credit

This title further provides that whenever the President determines that a national emergency exists which necessitates such action, the Board shall issue regulations to control the extension of consumer credit.

Effective date

The act provides that this title shall take effect on July 1, 1968.

TITLE II—PROHIBITION OF GARNISHMENT OF WAGES

This title provides that the garnishment of wages is frequently an element in the predatory extension of credit and that such garnishment frequently results in the disruption of employment, production, and consumption, constituting a substantial burden on interstate commerce. Accordingly, provision is made prohibiting the garnishment of wages or salary due an employee. Violation of the section subjects an individual to possible fine or imprisonment.

TITLE III—COMMISSION ON CONSUMER FINANCE

This title provides for the establishment of a bi-partisan national commission on consumer finance to be composed of nine members: 3 members from the Senate, to be appointed by the President of the Senate; 3 members of the House of Representatives, to be appointed by The Speaker; and 3 persons to be appointed by the President. The Commission is called upon to study and appraise the functioning and structure of the consumer finance industry in the United States and to report its findings, recommendations, and conclusions to the Congress and the President by December 31, 1969. The Commission is specifically called upon to include within the scope of its report and recommendations a discussion of:

"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, and other regulatory measures."

MILITARY POTENTIAL OF SST

Mr. RYAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

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

There was no objection.

Mr. RYAN. Mr. Speaker, the distinguished chairman of the House Armed Services Committee stated, on July 18 in support of the funds for the development of a supersonic transport that this plane will have great military value. He said:

I do not care who makes a statement to the contrary notwithstanding.

By this I take it he refers to the comments of the Secretary of Defense.

According to Aviation Daily, February 23, 1967, Secretary of Defense McNamara said, for example, in testimony before the Senate Armed Services Committee on the fiscal year 1967 supplemental defense budget:

Except in the most indirect way, I anticipate no military benefits from the production of the supersonic transport . . . I see very little benefit even of a spin-off character to military technology and military programs.

The House has already taken action on H.R. 11456, the appropriation bill for the Department of Transportation, in which the funds for SST development are included, but the matter is yet to come before the Senate. I think it would be useful to clarify for the record, and for the consideration of Members of the other body, the military potential of this aircraft.

On March 15, 1967, Secretary of the Air Force, Harold Brown, testified before the House Appropriations Committee on the fiscal year 1968 defense budget as follows at page 768:

Some of the technology having to do with structures, engines, and so on, which was learned in the United States supersonic transport program, will be applicable in a supersonic bomber development, and vice versa, but neither one really provides any substantial help toward the engineering development and detailed design of the other.

The technology actually has been flowing the other way, because the supersonic transport design, which the United States is now going ahead with, includes two things: First, a variable sweep wing which is an outgrowth of the work done on the F-111 and second, titanium from the Air Force YF-12A program. The B-70 used stainless steel construction, which probably will not be very much used in the SST. We did, however, use a good amount of a type of stainless steel honeycomb in the B-70 which may be adaptable to various structures such as doors and panels on the SST. So, the technology has really flowed mostly the other way, Mr. Andrews, with the YF-12A, B-70, and F-111 contributing to the U.S. supersonic transport.

Prior to the occasion of this testimony, Secretary Brown sent a letter to the chairman of the House Committee on Appropriations dated March 7, 1967, ex-

plaining the situation in greater detail. In the course of this letter he said:

Our studies have shown that even when no development costs, other than modifications, are charged to a bomber version of the SST, the cost per weapon delivered to the target is greater than could be achieved with a new advanced bomber of quite different characteristics, even though complete development costs would have to be paid for the latter.

The Secretary's letter states at another point:

The SST provides, at considerable cost, a capability to operate in a flight regime that does not represent the best means of penetrating projected enemy defenses.

And finally:

The Air Force design for an advanced bomber has the required performance and payload in a vehicle about one half the size of the proposed SST. Although the advanced bomber would have a supersonic speed capability, its top speed would avoid the more severe environmental problems of the SST. Its reduced weight and complexity result in lower procurement and operating costs. This together with its increased effectiveness (range, dispersal capability, reduced radar cross section, ride quality at low altitude, et cetera) provides the advanced bomber with a very substantial overall cost effectiveness advantage over a modified version of the SST.

Mr. Speaker, it is not clear why the United States is so anxious to rush into a costly program of SST development involving many unsolved problems and great economic risk on the strength of a nebulous national prestige. It may well be that our prestige will lose a great deal more if we show ourselves to be a nation whose commitments and investments are based largely on a hysteria about our "image"—largely and simply because the British and French are building the Concorde—unable to wait and learn from their experience—and unable to take the advice of a multitude of technical and economic experts within our own country as to the inadvisability of this effort. It may well be that the commercial developers of the SST could learn a great deal from the advanced aircraft planners in the Department of Defense instead of merely rushing to build a plane that is bigger and faster than the Concorde regardless of the additional problems involved, regardless of the expense, and regardless of the fact that it may eventually prove to be an unsound investment.

We have experienced difficulties and disaster in the Apollo program based on a race to the moon. Are we not a nation that can learn from such experiences and apply the lessons learned to a venture such as the SST?

To be sure, the military will learn something from all possible civilian developments in aeronautics. This does not mean that public funds should be hastily invested in all possible and perhaps unwarranted projects. On the assumption that the Senate will give sober and serious consideration to the SST before taking action, I think it appropriate to include the entire text of Secretary Brown's letter to the chairman of the House Appropriations Committee at this point in the Record:

DEPARTMENT OF THE AIR FORCE,
OFFICE OF THE SECRETARY,
Washington, March 7, 1967.

HON. GEORGE H. MAHON,
Chairman, Committee on Appropriations,
House of Representatives.

DEAR MR. CHAIRMAN: This is in response to your letter of February 10, 1967, on the subject of the supersonic transport (SST) as a strategic bomber.

The Air Force has studied the utility of a modified supersonic transport for the strategic bomber role and is continuing to review this possibility as the characteristics and cost of the SST become better defined. In general, our studies have shown that a modified SST configured as a bomber could perform strategic missions. However, its characteristics are far from the optimum ones in terms of survivability and penetration to the target. Therefore, it is far from the most effective approach to the bomber component of our strategic forces.

While a joint development program (FAA and DOD) of a commercial transport and a bomber version of the SST may result in a lower total development cost than would separate development programs for a SST and a new advanced bomber, the extent of any potential savings is critically dependent upon the degree of compromise that could be tolerated in each version in order to achieve commonality. Beyond the development program, when all factors such as procurement costs, ten-year operating costs, and operational effectiveness are considered, the separate development of a new bomber appears to us to be a more cost effective approach for accomplishing the military tasks. Our studies have shown that even when no development costs, other than modifications, are charged to a bomber version of the SST, the cost per weapon delivered to the target is greater than could be achieved with a new advanced bomber of quite different characteristics, even though complete development costs would have to be paid for the latter. There are a number of reasons for this, some of which are discussed below.

The SST design is a large gross weight (675,000 pounds) vehicle incorporating structural materials, aerodynamics, engines and environmental control equipment for high altitude supersonic cruise at Mach 2.7. It does not represent the best design approach for a high altitude bomber because of its large fuselage, high radar cross section and lack of compatibility between the bomber refueling requirements and fuel availability of the KC-135 tankers.

Further, the SST provides, at considerable cost, a capability to operate in a flight regime that does not represent the best means of penetrating projected enemy defenses. Studies and simulated tests have shown that penetration of sophisticated enemy defenses including surface-to-air missiles can best be accomplished by flying at low altitude at the highest speed compatible with attaining the necessary range. A bomber version of the SST without structural and engine modifications suffers very severe degradation in performance when operated at low altitude. Its top speed would be about 330 knots and its range would be very limited because its engines are not designed to operate efficiently at low altitude. This performance could be improved by structural reinforcement of the fuselage, wings, and tail assembly plus the installation of new engines. This would still not provide a very good bomber aircraft because of the large amount of fuselage volume available for the low density payloads associated with commercial operations. This large volume is not required for the higher density military payloads and results in higher aerodynamic drag and greater range loss than would result from a fuselage designed specifically for military weapon payloads.