

**Consumer Affairs Subcommittee Again Splits 6 to 6 on Consumer Credit Bill Despite Unanimous Endorsement by President's Consumer Advisory Council**

**EXTENSION OF REMARKS  
OF**

**HON. LEONOR K. SULLIVAN**

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 1, 1967

Mrs. SULLIVAN. Mr. Speaker, the Subcommittee on Consumer Affairs of the House Committee on Banking and Currency has completed its work on H.R. 11601, the Consumer Credit Protection Act which I introduced on July 20, as chairman of the subcommittee, in behalf of myself and Representatives GONZALEZ, MINISH, ANNUNZIO, BINGHAM, and HALPERN. An identical bill, H.R. 11806, was introduced by the ranking member of the parent committee, Representative MULTER, with many cosponsors.

The subcommittee, as I said, completed its work on the bill, but split 6 to 6 yesterday on the motion to approve the bill for consideration by the full committee. Previously, we voted, also on a 6-to-6 tie, not to substitute the credit disclosure provisions of Representative HANNA's bill for section 203 of my bill. The basic differences between these two versions of truth-in-lending legislation were spelled out in the material I placed in the CONGRESSIONAL RECORD on October 4.

Basically, the disagreement which split the subcommittee evenly involves the exemptions adopted by the Senate in passing S. 5 on July 11. The Senate bill exempts first mortgages. Furthermore, credit transactions on which the credit charge is less than \$10, and open-end "revolving credit" such as used by the computerized department stores and mail-order chains would be exempt from the requirement of expressing finance charges on an annual percentage rate basis.

These exemptions are not included in H.R. 11601. H.R. 11601 treats all types of consumer credit alike. All would be subject to the same disclosure requirements.

ISSUE WILL HAVE TO BE FOUGHT OUT IN FULL COMMITTEE

Mr. Speaker, this issue of discrimination in the treatment of various types of consumer credit under truth-in-lending legislation will now have to be fought out in the full Committee on Banking and Currency. I know the fight there will be a difficult one, just as it has been in the subcommittee.

The retailers using revolving credit have been quite effective in their lobbying work on this bill. Other businesses in the consumer credit field—banks, automobile dealers, small loan companies, and retailers using forms of credit other than revolving credit—have not been nearly as effective in getting across to Members of Congress their side of this issue. Only the furniture dealers appear to have been active in writing in to Members of Congress pointing to the discrim-

inations against them in the Senate-passed bill.

CONSUMER ADVISORY COUNCIL ENDORSES "FULL DISCLOSURE"

The President's Consumer Advisory Council, appointed by President Johnson on August 11, with Attorney General Bronson C. La Follette, of Wisconsin, as chairman, held its initial meeting last week and announced its unanimous support for the truth-in-lending provisions of my bill as presently amended. This position was expressed in the following press release:

CONSUMER ADVISORY COUNCIL BACKS TRUTH-IN-LENDING AND TYDINGS PROPOSALS

The President's Consumer Advisory Council, at its initial meeting took under discussion the urgent problems of consumer credit and service and liability. Credit problems ranging from repossessions to excessive interest rates and finance charges on installment loans are areas for further study by the Council.

They were encouraged that the proposed program of Senator Joseph D. Tydings (D., Md.) to establish a Consumer Protection Agency in the District deals with many of these same credit problems.

Bronson LaFollette, Attorney General of Wisconsin, and Chairman of the Council, in a joint press briefing with Betty Furness, Special Assistant to the President, said "I am heartily in favor of Senator Tydings' proposed legislation for the District and would like to see it extended into every State."

The Council also unanimously backed the Truth in Lending bill as it now stands in Congresswoman Leonor Sullivan's Subcommittee on Consumer Affairs of the House Committee on Banking and Currency.

"We are unanimous in believing that this bill which includes full disclosure on revolving credit must be enacted before the 90th Congress recesses," Betty Furness said.

She added that the subject of service repair, warranties and liabilities also was of "enormous interest" to the Council and has been given long range consideration.

Other consumer problems ranging from auto insurance to the cost of drugs came under Council scrutiny. At the close of its 2-day meeting the Consumer Advisory Council will indicate areas for further study.

MEMBERSHIP OF THE PRESIDENT'S CONSUMER ADVISORY COUNCIL

Mr. Speaker, I am pleased to have the unanimous support of the distinguished members of the President's Consumer Advisory Council for effective truth-in-lending legislation including "full disclosure on revolving credit." I am sure the Members will be impressed by the stature of the individuals named to this Council by President Johnson.

The membership includes 12 outstanding Americans. Their names are included in the following statement made by the President in announcing their appointment:

CONSUMER ADVISORY COUNCIL

(Statement by the President Upon Announcing Appointment of the Chairman and Members of the Council, August 11, 1967.)

President Johnson today announced the appointment of 12 members to the new Consumer Advisory Council for terms of 2 years. The Council members appointed by the President are:

Bronson C. La Follette, of Madison, Wis.—Chairman, Attorney General of Wisconsin.

Robert J. McEwen, of Boston, Mass., associate professor and chairman of the department of economics, Boston College.

William J. Pierce, of Ann Arbor, Mich., professor of law and director of the legislative research center, University of Michigan.

Corwin D. Edwards, of Eugene, Oreg., professor of economics, University of Oregon.

Richard H. Grant, of Portsmouth, N.H., general manager, Pease Air Force Base Federal Credit Union.

Gerald A. Lamb, of Waterbury, Conn., State treasurer, State of Connecticut.

Louis Stulberg, of New York City, N.Y., president, International Ladies Garment Workers Union.

William L. Lanier, of Metter, Ga., State Executive Director, Agricultural Stabilization and Conservation Service.

Mary L. Bailey (Mrs. Charles W.) of Austin, Tex., housewife.

Maurine B. Neuberger, of Portland, Oreg. (currently residing in Washington, D.C.), chairman, Citizen's Advisory Council on the Status of Women.

Mrs. Otrle Taylor, of Los Angeles, Calif., neighborhood aid participant for neighborhood aid projects in Watts, Los Angeles.

Louise Gentry, of State College, Pa., assistant dean for resident education, Pennsylvania State University.

Miss Betty Furness, the President's Special Assistant for Consumer Affairs, will serve as Executive Secretary of this new Council.

In announcing the appointment of the Consumer Advisory Council, the President stated:

"Every American citizen—rich or poor—is a consumer. And so, in a very special way, the public interest is the consumer interest—the interest of all of us.

"In the past 3 years, we have seen the greatest advances in the Nation's history on behalf of the American consumer. At my recommendation, the 89th Congress enacted the first Traffic Safety Act in history. It passed the Tire Safety Act, and the first Truth-in-Packaging Bill. In addition, it enacted legislation to protect our children against dangerous toys and to protect the modest savings of American wage earners in savings institutions.

"Taken together, these laws touch the life of every American citizen, no matter what his income or his station in life.

"Now, in the first session of the 90th Congress, I have recommended nine major laws to benefit consumers: the Truth-in-Lending Bill; the Wholesome Meat Act; the Fire Safety Act; the Hazardous Products Commission Act; the Pipeline Safety Act; the Electric Power Reliability Act; the Flammable Fabrics Act; the Land Sales Fraud Act; the Mutual Fund Reform Act.

"The Consumer Advisory Council will add new strength and direction to the great purposes which these laws support. The Council will recommend still further ways in which the Government of all the people can protect all the people."

STRONG STATEMENT BY BETTY FURNESS IN BEHALF OF "FULL DISCLOSURE"

Mr. Speaker, I want to include in this report a letter I received last week from the executive secretary of the President's Consumer Advisory Council, the Honorable Betty Furness, Special Assistant to the President for Consumer Affairs, as follows:

THE WHITE HOUSE,  
Washington, October 25, 1967.

HON. LEONOR K. SULLIVAN,  
Chairman, Subcommittee on Consumer Affairs, Committee on Banking and Currency, House of Representatives, Washington, D.C.

DEAR LEE: I have been following very closely, as has the President, your efforts to give the American people a strong Truth-in-Lending law. I wish to commend you for your steadfast stand for a bill which is truly meaningful, and not one in name only. The work-

ability of a law which includes coverage of revolving charge accounts has already proven itself in Massachusetts.

I am aware of the narrowly-based but strong pressures being exerted for a watered-down version containing serious exemptions, or for no bill at all. Unfortunately, the consumer is not organized to articulate effectively his needs and, as a result, he is no match for those who oppose even such a simple step as the disclosure of actual credit costs to the American public. It seems to me that the withholding of such information negates the revered American practice of free competition and operates to protect those who would for some reason hide the facts. Hide them, not only from those of us who as consumers would like to shop for credit as we shop for the best buy in other items, but hide them from other businessmen so that competition cannot truly be effective.

Although American consumers—and that is nearly 200 million of us—have no highly organized means of bringing our thinking to the attention of the Congress, I believe that action or failure to act on a meaningful Truth-in-Lending bill will be one of the major measures by which the public will judge the 90th Congress. Please let me know if this Administration can do anything to assist in the efforts to bring a strong Truth-in-Lending bill to the House of Representatives shortly.

Sincerely,

BETTY FURNESS,

Special Assistant to the President for Consumer Affairs.

## The Air Quality Act of 1967

### EXTENSION OF REMARKS

OF

### HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 1, 1967

Mr. EILBERG. Mr. Speaker, I am happy to support S. 780 as one of the sponsors of a similar bill in this House. The detailed and thoughtful structure of the bill bears eloquent testimony to the continued desire on the part of Congress to exert every effort, explore every new avenue which may return cleaner, healthier air to us all.

I believe that the principal measures embodied in this proposed legislation to complement what has already been done should go far in attacking the problem vigorously: Realistic air quality standards established and enforced by Fed-

eral and State agencies, for both stationary and mobile sources of air pollution; grants for further research and development in both Federal and private laboratories; the regional airshed approach to air pollution control; financial incentives to industry for the construction, operation, and maintenance of abatement facilities; and a set of enforcement procedures that is just, yet effective, and enlists the cooperation of all parties involved.

As a Representative of a highly developed industrial urban area and State, I am particularly concerned with that section of the bill dealing with accelerated research and development of air pollution control methods and equipment, and I urge strongly that favorable consideration be given to all its provisions.

Accelerated research programs to develop low-cost emission control devices for motor vehicles are urgently needed. Automobiles are the chief source of carbon monoxide, and they are the producers of photochemical smog, the effects of which have been felt in congested urban areas throughout our land. I am looking forward to the anticipated improvements resulting from the control devices which are mandatory on all 1968-model cars. However, much remains to be done to abate pollution resulting from fuel combustion effectively and thoroughly. Research programs to control combustion byproducts should include provisions for the practical demonstration of new processes and devices. The removal of pollutants may produce potentially valuable commercial byproducts, the use of which should be explored systematically.

The development and testing of new processes and devices is always costly. It involves the design, planning, construction, and installation of large demonstration plants, time-consuming operation of as yet unproven equipment, experimental and thus expensive use of new methods. There is no guarantee that a private company willing to engage in such a venture will be rewarded with profit. Under the financial provisions of this bill, the Federal Government and private industry and laboratories would be able to engage in joint ventures which will benefit large sectors of private enterprise. They would assure financial support by the Federal Government of new air pollution control projects which are

still in the research and developmental stage.

I am pleased to note that the provisions of this section are not confined to research aimed at curbing emission from motor vehicles. Stationary sources of pollution contaminate the atmosphere as much as mobile polluters. About 95 percent of our growing industries are run by energy generated by burning coal and oil—fossil fuels which contain elemental sulfur as an impurity. During the combustion process, the sulfur is changed into sulfur oxides, one of the potentially serious health hazards in contaminated air. Devices now available can substantially control unburned carbon particles, fly ash, and cement plant dusts. However, more imaginative ways must be found to remove sulfur from the coal or to extract sulfur gases from the combustion products.

Coal is one of our most important natural resources and an economical source of heat and energy. Accelerated research and development of improved methods and equipment to control soot, smoke, and sulfur oxides is one way to improve the air we breathe, yet retain the use of one of the most abundant and inexpensive sources of energy at our disposal today.

Advocates of higher smokestacks claim to have found a solution to much of our pollution problems. However, particles distributed high in the atmosphere may significantly change the weather, serve as a core around which condensation might form, and change the reflectivity of the earth. Emissions from high stacks are joined by other sources of air pollution at high altitudes. Rocket exhausts and jet aircraft also introduce contaminants. When our supersonic transports start to operate at 70,000 feet, air pollution will extend to the fringes of the atmosphere. This, then, is another area for which intensified research efforts are indicated.

Mr. Speaker, I feel strongly that the provisions of the Air Quality Act of 1967 are an imaginative and practical sequence to our air pollution control efforts to date. They would provide the means for a joint, concerted undertaking in which the Federal Government, State and local authorities, and private industry could participate effectively. I urge that we give each section our careful and favorable consideration. Thank you.

## SENATE

THURSDAY, NOVEMBER 2, 1967

The Senate met at 12 o'clock meridian, and was called to order by the President pro tempore.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father God, as in reverence we hallow Thy name, so may we hallow our own, keeping our honor bright, our hearts pure, our ideals untarnished, and our devotion to the Nation's weal high and true.

We are grateful for this sweet time of prayer, that calls us from a world of care, and bids us at our Father's throne make all our wants and wishes known.

At this altar of devotion we would be sure of Thy presence ere pressing duty leads us back to a noisy, crowded way.

May the great causes that in these agitated days concern Thy human family, and especially the crusade to preserve threatened freedoms for all Thy children, the selfless ministries that help to heal the world's wounds and rebuild its waste places, the attitudes that create good will and make possible at last a just and righteous peace, command the utter allegiance of our labor and our love.

We ask it in the name of that One whose truth shall make us and all men free. Amen.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had passed the bill (S. 1985) to amend the Federal Flood Insurance Act of 1956, to provide for a national program of flood insurance, and for other purposes, with an amendment, in which it requested the concurrence of the Senate; that the House insisted upon its amendment to the bill, asked a confer-