

"That first program attracted quite a bit of interest and excitement," Miss Carroll recalled.

"We had a host of businessmen out that didn't even know Carswell had a procurement office. They seemed to believe that our needs were filled from Washington or some other place."

The air base spent about \$7.4 million in fiscal 1962 and 37 per cent of that, more than \$2.74 million, was spent in Fort Worth.

The base procurement office spent 23 per cent, or \$1.7 million in Dallas; \$722,000, or 10 per cent in other Texas cities, and \$2.25 million, or 30 per cent in cities outside Texas.

"Our costs were increased in many areas because of transportation costs, long distance telephone calls, service problems on items purchased in distant places and from the general breakdown in communications between here and the originating point of the item," Miss Carroll said.

After the second annual Carswell Purchasing Program was held in the autumn of 1962, Fort Worth's share of the procurement office's expenditures jumped to \$3.9 million, or about 62 per cent of the annual outlay for fiscal 1963.

Dallas' share in fiscal 1963 dropped to \$1.12 million or 18 per cent. Other cities in Texas declined to \$302,743 or 5 per cent and purchases outside Texas eased to \$916,484 or 15 per cent of that year's total of \$6.2 million.

During fiscal 1962 and 1963—July through June—Miss Carroll spent considerable time and effort to keep accurate data on the savings in transportation and long distance telephone calls derived from increased local purchasing.

Her office in 1962 spent \$2,976,048 for items from cities other than Fort Worth and Dallas. In 1963 the expenditure declined to \$1,219,207, giving a saved difference of \$1,756,841.

"The difference of \$1,756,841 averaged 3,513 purchase orders," Miss Carroll said. "The average cost for transportation was \$3 per order."

Using this average, \$10,593 was saved in transportation costs.

"Out of 3,513 purchase orders, approximately 1,500 long distance calls were required at an average of \$2 per call," she continued. "This represented a \$3,000 savings."

"I found myself with total savings for these years of \$13,595," she said with a smile.

"The expedient delivery from local sources is an intangible savings in dollars and cents," Miss Carroll continued. "However, the timely accomplishment of a strategic mission is priceless when considering the defense of our nation."

In the recently completed fiscal year 1967, Miss Carroll's office spent 83 per cent of its funds through Fort Worth firms, 26 per cent in Dallas, 3 per cent in other Texas cities and 8 per cent outside of Texas.

"I feel, along with Major Robert W. Johnson and the buyers of the Carswell office that there are many firms in this area with which we could do business," Miss Carroll said.

Major Johnson is procurement chief at Carswell.

"We feel that the Fort Worth area is a fully qualified location to supply the base with its needs—more than 62,000 line items," Major Johnson said.

"Our problem is that we have no way of seeking out these possible suppliers and providing them with a list of our needs," he added.

"This local area is the life blood of Carswell," Miss Carroll commented. "Especially, since we have found that local procurement leads to vast savings of the taxpayers' money."

Local service to Carswell is particularly important, she noted, "in view of the policy of not maintaining an inventory of daily items."

"We must have local assistance in that we rely on the local firms to provide us with our 'warehouse' needs. In that way they, too, can do their part in the keeping of the nation," Miss Carroll said.

American Banker Daily Newspaper Reports on Big Retailers' Victory in 17-to-14 Vote on Revolving Credit in Truth-in-Lending Bill

EXTENSION OF REMARKS

OF

HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, November 27, 1967

Mrs. SULLIVAN. Mr. Speaker, Mr. Joseph D. Hutnyan, Washington correspondent for the American Banker daily newspaper, is well known to Members of the House from the years he served as a member of the House staff of United Press International. Since leaving UPI, he has been covering Washington for the only daily banking newspaper published in the United States, retaining the scrupulous respect for facts which is the hallmark of a good wire service reporter.

On Friday after Thanksgiving, Mr. Hutnyan had an article in his newspaper reporting on the actions by the House Committee on Banking and Currency last Wednesday on H.R. 11601, the Consumer Credit Protection Act. The most important action taken that day was the adoption of an amendment which would relieve the big chain retailers using computerized revolving credit from revealing to their customers the annual percentage rate of their credit costs. The smaller retailers using installment credit, and the banks and other lenders, would generally have to state the annual rate on their credit charges, but the big retailers would not.

Some of us feel very strongly that this is completely unfair to small business and is, in addition, misleading to the consumer. A monthly rate of 1½ percent on credit sounds very low to the average consumer, who tends to regard an annual rate of 18 percent as fantastically high, even though, in most instances, they would be exactly the same.

No wonder the independent retailers are firing telegrams into Washington, and particularly to members of the Committee on Banking and Currency, strenuously objecting to the disparity of treatment voted by a majority of the members of the committee on Wednesday last.

ISSUE BY NO MEANS SETTLED; THE FIGHT WILL GO ON

This issue is by no means settled, Mr. Speaker. The fight will go on to achieve the kind of truth-in-lending legislation which gives the consumer the facts he needs in order to shop intelligently among competing forms of consumer credit.

The Sears-Roebuck, or Montgomery-Ward, or Penney amendment, as it is

variously called, would permit practices under which department store revolving credit accounts would be made to appear very reasonable when compared to all other types of borrowing or buying on credit. The department store rate would even be made to sound less than the cost of borrowing from a credit union, under the bill as amended.

The Banking and Currency Committee will meet again tomorrow on H.R. 11601. There will be an opportunity for any Member who wishes to change his vote to offer a motion to reconsider. If the Sears-Ward-Penney amendment is not eliminated in committee, then there will certainly be the opportunity—and the obligation—to remove it on the House floor.

Fortunately, we were able to keep such an amendment out of the advertising provisions of the bill. But it is of prime importance to the consumer to learn at the time of purchase what the percentage rate will be on the credit costs, and a monthly rate does not provide comparability with rates charged by other creditors.

AMERICAN BANKER ARTICLE EXPLAINS ISSUE IN DISPUTE

Joseph D. Hutnyan's article in the American Banker daily newspaper last Friday will give the facts on this dispute to those Members of the House who have been receiving telegrams and letters from independent businessmen in their districts protesting the exemption for revolving credit. Under unanimous consent, I include the article referred to as part of my remarks, as follows:

[From the American Banker daily newspaper, Nov. 24, 1967]

RETAILERS WIN MONTHLY DISCLOSURE OF REVOLVING RATE FROM HOUSE UNIT

(By Joseph D. Hutnyan)

WASHINGTON.—The House Banking and Currency Committee Wednesday voted 17 to 14 to permit revolving charge creditors to report a monthly, rather than an annual, rate under the interest disclosure bill being drafted by the committee.

The American Bankers Association is opposed to the provision on grounds that it would discriminate against banks, which would have to list the annual rate under the bill.

The vote on revolving charge coverage Wednesday is likely to result in postponement of House action on the truth-in-lending bill until early next year.

The chief reason for this delay is that the committee action has displeased its chairman, Wright Patman, D., Tex., who probably will delay a House vote for about six weeks in hopes of building up political pressure to reverse the committee action on the House floor.

Coverage of revolving charges in the House committee bill now conforms with that of a truth-in-lending bill passed by the Senate July 11.

However, the resemblance may end there. Although the House Banking and Currency Committee is only about half way through marking up the interest disclosure bill, it already has created a bill tougher than the version passed by the Senate.

Both the Senate and the House bills would require most creditors to list the approximate effective annual rate of the credit cost in each transaction. The one exception is revolving charges which could be shown as a monthly rate.

However, the House Banking and Currency Committee bill was broadened on Wednesday to extend the disclosure requirements to credit advertising. No such provision was included in the Senate bill.

The House bill also takes a tougher stance in its treatment of credit life insurance costs. In cases where the creditor requires a policy, the cost must be figured in as part of the rate. This was exempt from the rate calculation in the Senate bill.

The House Banking and Currency Committee is scheduled to resume closed deliberations Tuesday on the truth-in-lending bill.

Still to be decided by the committees are such controversial issues as whether mortgages should be subject to the disclosure provisions; the effective date of the truth-in-lending law; whether garnishment of wages should be abolished; a proposal to set up a consumer credit study commission, and whether the Federal Reserve Board or the Federal Trade Commission should enforce the disclosure statute.

The 17 to 14 vote on revolving charge coverage Wednesday was a big victory for the retailers lobby which has been fighting hard to remain exempt from the annual rate requirement.

The victory was fashioned with the help of 12 Republicans and five key votes from Democrats: Reps. Robert G. Stephens of Georgia; Richard T. Hanna of California; Tom S. Gettys of South Carolina; Frank Annunzio of Illinois; and Thomas M. Rees of California.

Mrs. Leonor K. Sullivan, D., Mo., who led the fight for annual coverage of revolving charges, told reporters Wednesday that she would take the issue to the House floor.

"Very few Americans are aware of the implications of this exemption," she said. "The people will just have to pay through the nose, not knowing what they are paying for."

Mr. Hanna, who led the fight to put revolving charges on a monthly schedule, insisted that an annual rate would be unrealistic. He said there were so many variable factors in revolving charges that it would be impractical to require them to list the annual rate of the credit cost when the purchase is made.

As it stands, the bill would allow a revolving charge creditor to tell a customer at the time a purchase is made that he is paying 1.5% a month—the usual charge—instead of 18% a year. However, if this same customer went to a bank, the institution would have to disclose the annual credit rate.

The ABA, Mr. Patman, and Mrs. Sullivan feel this is discriminatory. The ABA is convinced that the banking community has a big stake in this fight because of the mushrooming growth in the bank credit card business which someday may challenge department store revolving charges for a big share of the customer's dollar.

The alleged competitive advantage for revolving charges in listing the monthly rate would not be a part of the advertising disclosure regulations adopted by the committee on Wednesday.

This provision states that in all cases—including banks and revolving charge creditors—when a rate is mentioned in an advertisement, it must be described in annual percentage terms.

The advertising provision also requires that where a lender decides to mention the installment payment in his advertising, he must also include the price of the loan or article; the down payment; the number, amount, and due dates or period of payments scheduled to repay the indebtedness, and the rate of the finance charge expressed in annual terms.

This would rule out the practice of merely stating a monthly payment in an advertisement. For instance, it would be illegal to use a phrase such as: "Color television sets, only \$25 a month," and . . .

Dedication of New Buildings at the Forest Products Laboratory, Madison, Wis., November 8, 1967

EXTENSION OF REMARKS

OF

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, November 27, 1967

Mr. KASTENMEIER. Mr. Speaker, the new wood fiber products research facilities at the U.S. Forest Products Laboratory in Madison, Wis., were dedicated on November 8, 1967. Over 200 representatives from the forest products industries throughout this country and from many foreign lands, officials from universities and many associations, and those concerned about the increasing need for forest products research attended the dedication ceremonies.

Because of the strong congressional support and interest shown in the Forest Products Laboratory and its expansion program, I would like to present to my colleagues several facts about the new laboratory-office building, along with a self-guiding tour brochure of the new facilities, and a description of the Edward G. Locke Memorial Seminar Room which is named in honor of the late Dr. Locke, a longtime director of the Forest Products Laboratory.

Dr. George L. Mehren, Assistant Secretary of Agriculture, was present at the dedication of the new Forest Products Laboratory buildings, and I am pleased to include in the CONGRESSIONAL RECORD, Dr. Mehren's remarks on this occasion:

FACTS ON THE NEW BUILDING AT THE FOREST PRODUCTS LABORATORY, FOREST SERVICE, U.S. DEPARTMENT OF AGRICULTURE

LABORATORY-OFFICE BUILDING

Floors and their uses:
Ground—Mainly utilities and storage.
1st—Wood Chemistry offices and laboratories.
2nd & 3rd—Wood Fiber Products offices and laboratories.

Fan loft—Ventilating fans and air-conditioning equipment.

Building size:
Length—167 ft.
Width—51 ft.
Height—62 ft.
Gross area—39,765 sq. ft.

Construction:
Basically reinforced concrete with extensive use of wood products.

Interior partitions—Framed with fire-retardant-treated studs; insulated with acoustic wood-fiber sheet material, covered with painted gypsum board finish.

Exterior trim—Redwood treated with FPL natural finish.

Dimensions of labs and offices:
Offices—Width 11 ft., length 14 ft.
Laboratories—Width 12 ft., length 24 ft.

PILOT PLANT

Floors and their uses:
First—Full building length; generally experimental pulping equipment.
Second—About half building length; experimental papermaking equipment.

Building size:
Length—460 ft.
Width—60 ft.
Height—50 ft.
Gross area—47,652 sq. ft.
Objectives:

To provide greatest volume of unimpeded space possible within fixed cost limits, and

To demonstrate the most up-to-date and economical structural concepts employing wood and wood-base materials.

These objectives were achieved through use of glued laminated wood arches and supplementary framework, stressed-skin lumber, plywood panels, lumber and fiberboard roof deck, and redwood trim.

Arch framework:
A typical 2-story arch consisting of the two legs and connecting beam weighs 20,200 pounds and contains 10,600 board feet of southern pine lumber.

In all, the 24 arches contain 186,000 board feet of lumber.

Wall enclosure:
Walls are enclosed with stressed-skin panels. Nominal 2 by 4 lumber frame adhesive-bonded to 3/8-inch-thick Douglas-fir plywood covers. Internal voids are filled with a polystyrene foam insulation.

The exterior panel face is covered with a beige-colored polyvinyl fluoride film; interior panel face with kraft paper treated with phenolic resin and painted.

More than 800 panels, most of them 4 by 8 feet in size, were required.

A SELF-GUIDING TOUR

The Wood Fiber Products Pilot Plant and Office-Laboratory Facilities.

1. Pulping Pilot Plant—The machinery in this area is used to prepare wood for the papermaking process.

2. Paper machine run—Our small-scale fourdrinler makes paper for the purpose of determining the effects of new pulping or refining methods or of additives applied during various stages of the papermaking process. To show its contentment with its new surroundings, the machine will spew forth today a bond paper made of mixed hardwood (80 percent) and softwood (20 percent) bleached kraft pulp. The fibers that are dyed red represent a portion of the hardwood component and the black fibers a portion of the softwood component.

3. Office-laboratory facilities—A modular arrangement of space accommodates studies of paper properties in the paper physics, bleaching, and optics laboratories. Fundamental studies are also carried out to improve the quality of paper with additives. Reactions of chemicals with wood components are examined to increase the yields of delignified pulps.

4. Edward G. Locke Memorial Seminar Room—This room, dedicated to the nurturing of creative thought and achievement, is given in memory of our sixth Director, Dr. Edward G. Locke. The furnishing of this room is provided by individuals and industries who would join in the furthering of forest products research, an endeavor that was pursued vigorously by Dr. Locke.

A. Broad View of Our Research Program (in the main building):

A. Sawmilling—The study of saws, sawing procedures, and log breakdown techniques leads to increased quality and value of the lumber produced. A new method of sawing 2 by 4 studs from small-diameter logs has been effective in minimizing the effects of degrading warp.

B. Wood drying—Drying wood faster with less degrade will increase its value and utility. Automated dry kiln control, press drying, and fundamental studies of moisture movement in wood mark advances in drying research.

C. Engineering with wood—Wood is examined as a structural material not only in its natural state but in reconstituted forms and in combination with other materials. Many strength properties must be determined—of the basic materials, structural elements, and full size structures—to develop reliable and efficient design data.