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**APPENDIX**

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**BILLS TRANSMITTED TO GOVERNOR  
UNDER ARTICLE 16, SECTION 59**

HB 1765 transmitted by the Chief Clerk to the Governor on April 28, 1971.

HB 1768 transmitted by the Chief Clerk to the Governor on April 28, 1971.

HB 1769 transmitted by the Chief Clerk to the Governor on April 28, 1971.

**STANDING COMMITTEE REPORTS**

Favorable reports have been filed by Committees on bills and resolutions, as follows:

Agriculture: SB 757.

Appropriations: HB 260, HB 327, HB 548, HB 857, HB 858, HB 890, HB 905, HB 914.

Counties: HB 760, HB 1021, HB 1117, HB 1166, HB 1304, HB 1353, HB 1403, HB 1479, HB 1607, HB 1627, HB 1632, HB 1633, HB 1636, HB 1643, HB 1644, SB 168, SB 187, SB 211, SB 272, SB 357, SB 442, SB 450, SB 518, SB 635.

Engrossed and Enrolled Bills: Correctly engrossed: HB 335, HCR 123.

Highways and Roads: HB 851, HB 1300, HB 1588, SB 316.

Insurance: HB 706, HB 1287, HB 664, HB 667, HB 117, SB 707, SB 432, SB 666.

Judiciary: SB 175, SB 225, SB 335.

Mental Health and Mental Retardation: HB 139, HB 488.

Oil, Gas, and Mining: SB 629.

Parks and Wildlife: HB 212, HB 986, HB 1533, SB 372, SB 679.

Public Education: HB 10, HB 949, HB 1006, HB 1063, HB 1064, SB 738.

Resolutions and Interim Activities: HCR 64, HCR 110, HSR 17, HSR 65, HSR 101.

Revenue and Taxation: HB 1235, HB 1621, SB 244.

Urban Affairs: SB 622.

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**SIXTY-FIFTH DAY—FRIDAY, APRIL 30, 1971**

The House met at 10:00 a.m. and was called to order by the Honorable Tommy Shannon.

The roll of the House was called and the following Members were present:

Adams	Daniel	Johnson	Reed
Agnich	Davis, D.	Jones, D.	Rodriguez
Allen, Joe	Davis, H.	Jungmichel	Rosson
Allen, John	Denton	Kaster	Salem
Allred	Dramberger	Kost	Schulle
Baker	Farenthold	Kubiak	Shannon
Bass, B.	Finck	Lemmon	Sherman
Beckham	Finnell	Lombardino	Short
Bigham	Finney	Lovell	Silber
Blanton	Foreman	McAlister	Simmons
Blythe	Garcia	McKissack	Slack
Braecklein	Grant	Moncrief	Slider
Braun	Hanna, Joe	Moore, A.	Stewart
Burgess	Harding	Moreno	Stroud
Bynum	Harris	Murray	Tarbox
Caldwell	Hawkins	Nabers	Traeger
Calhoun	Hawn	Nelms	Truan
Carrillo	Haynes	Neugent, D.	Tupper
Cates	Head	Nugent, J.	Uher
Cavness	Heatly	Orr	Vale
Clark	Hendricks	Parker, C.	Ward
Clayton	Hilliard	Patterson	Wayne
Coats	Holmes, T.	Pickens	Williams
Cobb	Howard	Poff	Wolff
Cole	Hubenak	Presnal	
Craddick	Hull	Price	
Absent			
Angly	Graves	Ligarde	Swanson
Christian	Hannah, John	Nichols	Von Dohlen
Cruz	Ingram	Niland	Williamson
Doran	Kilpatrick	Ogg	
Floyd	Lee	Parker, W.	
Gammage	Lewis	Solomon	
Absent-Excused			
Mr. Speaker	Earthman	Mengden	Santiesteban
Atwell	Golman	Moore, G.	Semos
Atwood	Hale	Moore, T.	Smith
Bass, T.	Holmes, Z.	Newton	Spurlock
Bowers	Jones, E.	Poerner	Wieting
Boyle	Jones, G.	Salter	Wyatt
Doyle	Longoria	Sanchez	

A quorum of the House was announced present.

The Invocation was offered by Chaplain Clinton Kersey.

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Representatives Finney, Lewis, Solomon, Williamson, Hendricks, and Von Dohlen entered the House and were announced present.

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## COMMUNICATION FROM THE SPEAKER

April 30, 1971

Mrs. Dorothy Hallman  
Chief Clerk  
Texas House of Representatives  
Austin, Texas 78767

Dear Mrs. Hallman:

Pursuant to Rule I, Section 10 of the Rules of the Texas House of Representatives of the Texas Legislature, I hereby name State Representative Tommy Shannon of Tarrant County to open and preside over the legislative session on Friday, April 30, 1971.

Sincerely,  
G. F. (Gus) MUTSCHER

## LEAVES OF ABSENCE GRANTED

The following Members were granted leaves of absence for today on account of important business:

Speaker Mutscher, temporarily for today, on motion of Mr. Shannon.

Mr. Poerner on motion of Mr. Uher.

Mr. Zan Holmes on motion of Mr. Stroud.

Mr. Smith on motion of Mr. Stroud.

Mr. Tom Bass on motion of Mr. Stroud.

Mr. Tom Moore on motion of Mr. Bigham.

Mr. Golman on motion of Mr. McKissack.

Mr. Atwell on motion of Mr. McKissack.

Mr. Sanchez on motion of Mr. Simmons.

Mr. Semos on motion of Mr. Braecklein.

Mr. Grant Jones on motion of Mr. Calhoun.

Mr. Longoria on motion of Mr. Wolff.

Mr. Atwood on motion of Mr. Wolff.

Mr. Wieting on motion of Mr. Ward.

Mr. Salter on motion of Mr. Denton.

Mr. Hale on motion of Mr. Salem.

Mr. Earthman on motion of Mr. Agnich.

Mr. Bowers on motion of Mr. Agnich.

Mr. Mengden on motion of Mr. Blythe.

Mr. Edmund Jones on motion of Mr. Blythe.

Mr. Santiesteban on motion of Mr. Hendricks.

Mr. Newton on motion of Mr. Presnal.

Mr. Boyle on motion of Mr. Ingram.

Mr. Wyatt on motion of Mr. Coats.

The following Member was granted leave of absence for today on account of a death in the family:

Mr. Spurlock on motion of Mr. Moncrief.

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Representative Kilpatrick entered the House and was announced present.

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#### CONGRATULATORY RESOLUTIONS ADOPTED

The following Congratulatory Resolutions were adopted unanimously:

HSR 415, by Poerner: Congratulating Frio County on its Centennial Celebration.

HSR 416, by Cavness, Harold Davis, Foreman, and Williams: Expressing support of May 1 as Loyalty Day.

The resolution was read and was unanimously adopted.

On motion of Mr. Williams, the names of all the Members of the House were added to HSR 416 as signers thereof.

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Representative Ogg entered the House and was announced present.

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#### LEAVES OF ABSENCE GRANTED

The following Members were granted leaves of absence for today on account of important business:

Mr. Doyle on motion of Mr. Ogg.

Mr. Griffith Moore on motion of Mr. Braecklein.

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Representative Angly entered the House and was announced present.

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CONGRATULATORY RESOLUTION ADOPTED

The following Congratulatory Resolution was adopted unanimously:

HSR 418, by Moncrief: Congratulating Major Jack Spangler.

On motion of Mr. Poff, the names of all the Members of the House were added to HSR 418 as signers thereof.

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Representative Nichols entered the House and was announced present.

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LEAVE OF ABSENCE GRANTED

The following Member was granted leave of absence for today on account of important business:

Mr. Graves of motion of Mr. Nichols.

INTRODUCTION OF HOUSE BILLS

Mr. Allred asked unanimous consent to introduce and have placed on first reading HB 1781.

There was objection offered.

Mr. Allred moved to introduce and have placed on first reading HB 1781.

The motion to introduce and have placed on first reading prevailed by the following vote:

Yeas—91

Adams	Bynum	Finck	Hull
Agnich	Caldwell	Finnell	Ingram
Allen, Joe	Carrillo	Finney	Jones, D.
Allred	Cates	Foreman	Kaster
Angly	Cavness	Grant	Kilpatrick
Baker	Clark	Hanna, Joe	Kost
Bass, B.	Coats	Hannah, John	Kubiak
Beckham	Cobb	Harris	Lemmon
Bigham	Cole	Hawkins	Lewis
Blanton	Craddick	Hawn	Lombardino
Blythe	Davis, H.	Head	Lovell
Braecklein	Denton	Hendricks	McAlister
Braun	Dramberger	Holmes, T.	McKissack
Burgess	Farenthold	Hubenak	Moncrief

Moore, A.	Orr	Salem	Truan
Moreno	Parker, C.	Schulle	Tupper
Murray	Parker, W.	Silber	Vale
Nabers	Patterson	Simmons	Von Dohlen
Nelms	Pickens	Slack	Ward
Neugent, D.	Poff	Solomon	Williams
Nichols	Price	Stroud	Williamson
Nugent, J.	Reed	Tarbox	Wolf
Ogg	Rodriguez	Traeger	

## Nays--14

Allen, John	Garcia	Rosson	Uher
Calhoun	Hilliard	Sherman	Wayne
Clayton	Niland	Short	
Davis, D.	Presnal	Slider	

## In The Chair

Shannon

## Absent

Christian	Floyd	Heatly	Lee
Cruz	Gammage	Howard	Ligarde
Daniel	Harding	Johnson	Stewart
Doran	Haynes	Jungmichel	Swanson

## Absent-Excused

Mr. Speaker	Earthman	Longoria	Sanchez
Atwell	Golman	Mengden	Santiesteban
Atwood	Graves	Moore, G.	Semos
Bass, T.	Hale	Moore, T.	Smith
Bowers	Holmes, Z.	Newton	Spurlock
Boyle	Jones, E.	Poerner	Wieting
Doyle	Jones, G.	Salter	Wyatt

Mr. Harding asked unanimous consent to introduce and have placed on first reading HB 1782.

There was no objection offered.

## BILL SIGNED BY THE CHAIR

The Chair signed in the presence of the House, after giving due notice thereof, the following enrolled bill:

HB 590, Renaming Lamar State College of Technology as Lamar University.

## INTRODUCTION OF HOUSE BILLS

Mr. Lombardino asked unanimous consent to introduce and have placed on first reading HB 1783.

There was no objection offered.

Mr. Nabers asked unanimous consent to introduce and have placed on first reading HB 1784.

There was no objection offered.

#### ESCORT COMMITTEE APPOINTED

The Chair announced the appointment of the following Escort Committee for the Honorable Wilbur Mills.

Representatives Jim Slider, J. A. Garcia, Bill Presnal, Aubry Moore, Neal Solomon, Dean Cobb, Cordell Hull, Dick McKissack, J. E. Ward, and Jack Ogg.

#### ADDRESS BY THE HONORABLE DAVID FINNEY

On motion of Mr. Cavness, the following remarks of the Honorable David Finney addressed to the House today on personal privilege were ordered printed in the Journal:

##### Members of the House:

I rise to speak on personal privilege this morning in an effort to right a few of the wrongs which have been directed toward HB 612, the Uniform Consumer Credit Code. This bill is a comprehensive code, suggested by the National Conference of Commissioners on Uniform State Laws and drafted locally by a distinguished professor of law at the University of Texas to give broad and uniform coverage of consumer protection to all credit transactions in our state. This law has now been passed in six states and is now pending in several others.

Looming large on the horizon of consumer credit is the prospect that the Federal Government would shortly preempt all credit transactions if the states failed to act with dispatch and statesmanship in complying with Federal guidelines designed to obtain exemptions from the Federal Reserve Board. The present Texas Consumer Credit Code does not afford and cannot afford this assurance.

Initial efforts to obtain industry cooperation to achieve this brought assurances from all segments, save one, that the effort was sound and in the public interest. In the drafting stages, all segments save one . . . cooperated willingly. In recent weeks, this one segment of the industry whose interest rates are wholly indefensible, has set up a drum-fire of criticism and deceitful attacks on this legislation. They say this is the same bill introduced last session. Not true, Members. They say the bill is merely an interest-raising measure. Not true, Members.

The present Texas Credit Code is a preliminary draft of the U.C.C.C. by the National Conference. HB 612 is the final draft. The present Texas law is good, but the U.C.C.C. is better. Let's talk about the differences between the present Texas Code and the U.C.C.C. The following provisions of the U.C.C.C. are not contained in the present Texas Code. This would be new protection for consumers in Texas.

Section 2.404 extends the present thirty day grace period before the defenses of a Holder in Due Course take effect to ninety days before

the defenses of the Holder in Due Course provisions of the Uniform Commercial Code take effect. The Holder in Due Course concept is perhaps the most abused area of commercial transactions as far as the consumer is concerned. For example, a seller may induce the sale with false information about the product. Then the seller discounts the note with another party and leaves town. The buyer would have to pay if the third party qualifies as a Holder in Due Course under the provisions of the Uniform Commercial Code. A Holder in Due Course is not subject to defenses that are available to the buyer against the seller, and this new provision would allow ninety days before the Holder in Due Course gains immunity from these defenses.

There are restrictions on collateral in Section 2.409. The bill provides that payment must be applied to the goods in the order in which they were purchased. This code will make the creditor apply "first-in, first-out" accounting so that what is fully paid for cannot be seized to pay the debt. For instance, you go to the department store and buy a refrigerator on your revolving charge account, and you start making payments on this amount. After a period of time, say six months, you buy an air conditioner at the same store, and have it put on your charge account. Then after some time, say one year, you lose your job or have an illness and are unable to make your payments on the charge account. If, in the meantime, you have paid enough to cover all the payments due on the refrigerator, then you will receive title to the refrigerator, and the only collateral or item that can be repossessed by the seller is the air conditioner.

Section 2.405 restricts the use of the so-called Balloon Payment. This is where the buyer is induced to enter into a contract that will require him to pay a small amount for the term of the contract and then have one large sum due at the end. Now, an unscrupulous dealer may repossess the goods if the buyer is unable to make the final payment, and the buyer is left with nothing but bitterness against the dealer and the society that allowed such practices. Section 2.405 requires that if a final payment is more than twice the others it must be refinanced on terms no less favorable than the original note.

Section 2.411 prohibits the use of referral sales. A referral sale is one where the salesman tells you that you can get your money back by referring him to friends and neighbors. If a certain number of your friends buy the same item you did, then you will get your unit free. Such rebates seldom develop and, at best, the scheme is no more sound than chain letters. This bill prohibits the use of such chicanery.

Section 2.501 and a few sections that follow it, deal with the limitations upon home solicitation sales. The buyer has the right to cancel a home solicitation within three full business days after the contract. This bill also deals with the restrictions upon the seller in home solicitation sales, and provides that in a home solicitation sale the buyer must be given a statement that advises him of his right to cancel.

Sections 2.203 and 3.203 deal with the problem of delinquency charges. Today, if a debtor misses a payment he must "double-up to catch up" at the time the next regular installment is due. This is usually impossible and, as a result, the debtor is constantly paying a delinquency charge on every payment because he is always "behind" on the payment that is

actually due. This section states that the creditor is entitled to only ONE delinquency charge of five percent of the unpaid installment.

Turn with me now to Article 6. This deals with administrative powers of the Commissioner and is basically the same as the present Texas law. However, there are some new provisions. Section 6.301 creates the Council of Advisors on Consumer Credit consisting of fifteen members appointed by the Governor. This council shall advise and consult with the Consumer Credit Commissioner concerning the exercise of his powers under this Act and may make recommendations to him. Members of the Council may assist the administrator in obtaining compliance with this Act. Basically, this council will provide a forum for people to express their grievances and objections on matters of consumer credit. This council shall serve without compensation; shall be entitled to reimbursement of expenses only; and shall meet at such time and place as may be designated by the chairman, but they must meet at least twice a year.

Section 6.114 specifically provides that the Commissioner may bring a class action on behalf of aggrieved people. There are some authorities who feel that the Commissioner has this power under the present statute, but in this bill it is expressly set forth. This expressly gives him the power to intercede on behalf of debtors as a class.

Now let's turn back to Article 5. If we did not pass anything else this session, this article alone would justify the passage of this bill. This is the part that deals with Remedies and Penalties.

Section 5.103 restricts the use of deficiency judgements on items that cost \$1000 or less. Under the provisions of this section the seller may repossess the goods or he may sue and obtain a judgement, but he cannot do both.

Section 5.108 allows the debtor to have a defense of unconscionability. Under this section if the contract was unconscionable or was induced by unconscionable conduct on the part of the creditor, then the contract may be declared null and void. The classic example is the \$10,000 contract for dance lessons for a seventy-year-old widow. The courts have broad powers to limit the application of the unconscionable agreement.

Section 5.204 deals with the so-called "home improvement loans." This section allows the debtor the right to rescind a transaction for three full days following the execution of the contract. He may rescind even if the work has already been performed by the creditor. This area has been subject to abuse over the years, and this provision is designed to correct it. The operations of the now defunct Westec Corporation is a good example.

Section 5.203 sets forth the civil liability for violation of disclosure provisions. Now, this section has been changed to conform to requests by the Boston College Consumer Law Center to allow damages for the debtor plus his attorney's fees. Civil liability for violations of the terms of this Act allow damages of not less than \$250 or not more than \$1000 to the debtor plus his reasonable attorney's fees. Reasonable attorney's fees are defined to mean the time spent on the case and not a percentage of the recovery. This new provision would make it mandatory that the court award attorney's fees. It is important that every individual have the right to recover his damages, and this provision will also make it easier for self-policing of the Act.

And finally, for the first time under Articles 5.301, 5.302 we have criminal penalties that provide for jail terms for wanton and willfull violation of this Act. These provisions are necessary in order to get an exemption from the Federal Reserve Board to allow the state agency to regulate consumer credit in Texas. The Federal Truth-in-Lending statute requires "adequate enforcement provisions" to be in state laws before an exemption will be granted.

The U.C.C.C. may have tried to do too much at one time when it attempted to regulate all credit transactions of any nature. But it was an attempt to bring some consumer benefits to the debtor. The rates were suggested by the National Conference of Commissioners. We really didn't think we could pass this legislation if we tried to cut existing interest rates. This is a political fact of life. We thought we would have to accept existing rates to get these consumer benefits.

But lo and behold! There have been complaints from the Members about the high interest rates. This is a pleasant surprise. Those of you who have repeatedly voted to preserve these rates, now tell me that you are against the bill because of high interest rates. I really didn't know that the consumer movement had such momentum in these hallowed halls. Therefore, I believe that this legislature is now ready to do what I and a few others have tried to do for the last ten years—remove this cancer.

This bill is now in the Rules Committee. It has been there for three weeks. It should be getting to the floor next week or maybe the following week. When this bill does get before this Body, I will propose a complete substitute to the committee substitute that will, in essence, restrict the coverage to only those people who regularly engage in consumer transactions. We will not try to regulate everything.

The amendments are as follows:

- (1) Part 6 of Article 2 and Article 3 will be deleted. This is the part that allows parties to come under the provisions of the U.C.C.C. by contracting with each other to do so.
- (2) First lien mortgages on all real estate will be expressly excluded from the Code except as to disclosure and debtor's remedies.
- (3) Pawnbrokers and Credit Unions will be excluded from the Code because they will be regulated under their own special statutes.
- (4) Section 3.508(6) will be deleted. This is the section that allows special rates for loans under \$100.
- (5) The rates on loans under \$300 will be reduced to 30%.
- (6) The present law that allows corporations to pay up to 18% interest will be left intact.

There are other minor amendments. Copies of the proposed substitute for the committee substitute will be available for your inspection in my office.

And so, Members, I come down to the bottom line. Many of you have ex-

pressed the desire to cut interest rates. I know you are sincere. I hope you will soon have the opportunity. The deceitful attacks against this bill must be understood. To kill HB 612 this session would clearly preserve the 240 percent interest section, without additional protection benefits to borrowers for another two years—and this, Members of the House, is the real reason the loan sharks oppose this measure.

Many of us have tried for ten years to cut interest rates to a uniform and realistic level. I now ask for your help in this endeavor. I ask that you rest easy over the coming weekend and come back here next week prepared to help me in the long overdue effort to remove the stigma from Texas for which we are unflatteringly known from coast-to-coast, as the Loan Shark State.

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Representative Lee entered the House and was announced present.

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#### LEAVE OF ABSENCE GRANTED

On motion of Mr. Lewis, Mr. Swanson was granted leave of absence for the remainder of today on account of important business.

#### INTRODUCTION OF HE 1785

Mr. Hull asked unanimous consent to introduce and have placed on first reading HB 1785.

There was no objection offered.

#### HCR 126—REFERRED TO COMMITTEE

(Concerning truck driver qualifications)

Mr. Von Dohlen offered the following resolution:

#### HCR 126

Whereas, The people of the State of Texas recognize the important role of farm truck drivers in providing effective and efficient transportation for farming and agricultural products; and

Whereas, Agriculture is the number one industry in the State of Texas; and

Whereas, The proposed federal regulations on farm truck driver qualifications set by the Department of Transportation, and scheduled to become applicable to all farmers on July 1, 1971, are highly unrealistic and would hamper the free flow of farm products to the marketplace; and

Whereas, The proposed federal standards would require all farmers, members of farm families, and hired employees of farmers to meet the following requirements before being eligible to transport any farm products: drivers must be at least 21 years of age and must pass written and

physical examinations; drivers must carry a medical certificate executed within the preceding 24 months evidencing that they meet prescribed physical requirements; drivers must pass a road test in the use of the truck; if the driver is an employee, he must file with the employer at the time of employment, and at the end of each 12 month period following, a list of any accidents or citations, and their disposition; and the employer must maintain a file of each employee evidencing compliance with federal requirements and must see that employees meet all requirements; and

Whereas, Numerous farm organizations and citizens have taken a strong stand calling for the modification of these standards; and

Whereas, These proposed regulations present a threat to the entire farming and agricultural industry by making it virtually impossible for the average farmer to transport his products to the market without prohibitive cost; now, therefore, be it

Resolved by the House of Representatives of the State of Texas, the Senate concurring, That the Legislature of the State of Texas hereby memorialize the Congress of the United States to investigate the proposed federal regulation concerning farm truck driver qualifications, and to request the Department of Transportation to provide for the following modifications: an exemption for small farm trucks; an exemption for local farm hauling; and postponement of the effective date on which the regulations become applicable for at least six months, in order to give farmers and ranchers an opportunity to interpret the new regulations; and, be it further

Resolved, That a copy of this resolution be sent to the Secretary of Transportation, the Honorable John A. Volpe, and that copies be sent to all members of the Texas delegation in the Congress of the United States, urging them to exert their efforts to bring about the modification of the proposed Department of Transportation regulation, which would place undue hardship on the farming and agricultural industries and hamper their service to the people of this state and of the nation.

Signed: Von Dohlen, Wieting, Uher, Kubiak, Cavness, Niland, Adams, Angly, Clark, Coats, Cruz, Doyle, Dramberger, John Hannah, Hilliard, Johnson, Kilpatrick, Lovell, G. Moore, Nichols, J. Nugent, Pickens, Poff, Stewart, and Williamson.

The resolution was referred to the Committee on Motor Transportation.

#### SENATE BILLS ON FIRST READING

The following Senate Bills were today laid before the House, read first time and referred to Committees, as follows:

SB 129 to the Committee on Criminal Jurisprudence.

SB 219 to the Committee on Judiciary.

SB 258 to the Committee on Judiciary.

SB 557 to the Committee on State Affairs.

SB 574 to the Committee on Governmental Affairs and Efficiency.

- SB 656 to the Committee on Higher Education.
- SB 702 to the Committee on Parks and Wildlife.
- SB 736 to the Committee on Counties.
- SB 832 to the Committee on Governmental Affairs and Efficiency.

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Representative Floyd entered the House and was announced present.

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COMMITTEE MEETING

Mr. Cavness asked unanimous consent of the House that the Committee on Motor Transportation be permitted to meet at this time.

There was no objection offered.

(Speaker in the Chair)

COMMITTEE MEETING

Mr. Traeger asked unanimous consent of the House that the Committee on Constitutional Amendments be permitted to meet at this time.

There was no objection offered.

BILLS SIGNED BY THE SPEAKER

The Speaker signed in the presence of the House, after giving due notice thereof, the following enrolled bills:

SB 75, Relating to qualifications of members of the Banking Section of the Finance Commission.

SB 254, Relating to the fee charged for certified copies of vital records issued by the State Registrar.

SB 363, Relating to salaries of court reporters for designated courts in Tarrant County.

SB 695, Authorizing the Board of Regents of the University of Texas System to contract with political subdivisions of the State of Texas located in El Paso County to construct a special events center on land owned by The University of Texas at El Paso.

ADDRESS BY THE HONORABLE WILBUR D. MILLS

(The House of Representatives and the Senate in Joint Session)

In accordance with the provisions of SCR 80, providing for a Joint Session of the Senate and the House of Representatives at 11:00 a.m. today for the purpose of hearing an address by the Honorable Wilbur D. Mills,

Lieutenant Governor Ben Barnes and the Honorable Senators were announced at the Bar of the House and were admitted to the Hall of the House and occupied seats arranged for them.

Lieutenant Governor Ben Barnes occupied a seat on the Speaker's Rostrum.

At 11:00 a.m., Congressman Mills and Governor Smith escorted by Senators Creighton, Kothmann, Beckworth, Patman, and Snelson, Committee on the part of the Senate, and Representatives Slider, Garcia, Presnal, Aubry Moore, Solomon, Cobb, Hull, McKissack, Ward, and Ogg, Committee on the part of the House, were announced at the Bar of the House and, being admitted, were escorted to seats on the Speaker's Rostrum.

Lieutenant Governor Ben Barnes called the Senate to order.

A quorum of the Senate was announced present.

The Honorable G. F. (Gus) Mutscher, Speaker of the House, called the House of Representatives to order.

Speaker Mutscher directed the Clerk to call the roll of the House.

The roll of the House was called.

A quorum of the House was announced present.

Speaker Mutscher addressed the Joint Session and welcomed all the distinguished guests present. Speaker Mutscher then presented Lieutenant Governor Ben Barnes to the Joint Session.

Governor Barnes addressed the Joint Session stating that the two Houses were in Joint Session for the purpose of hearing an address by the Honorable Wilbur D. Mills, distinguished Congressman from Arkansas who is Chairman of the Ways and Means Committee of the National Congress. Governor Barnes then introduced the Honorable Wilbur D. Mills to the Joint Session.

Congressman Mills then addressed the Joint Session, speaking as follows:

It is a singular honor for me to appear before this distinguished Joint Body today. It is a singular honor first because, since childhood days in history classes, I have been very deeply impressed with the fascinating narrative of this great legislature and its predecessors, which have witnessed or directed the development and evolution of Texas from a Spanish province, to a Mexican state, to an American Republic, and for the past century and a quarter as a recognized and acknowledged leader among the states of the United States.

I am also privileged to be here today among the lawmakers of a friendly neighbor, a neighbor with which we in Arkansas share such close bonds of heritage and tradition. I always enjoy reminding Texans that Arkansas has been with Texas under four of the six flags that have flown over this Lone Star State—those of France, Spain, the Confederacy and the United States. And I would remind you further that with respect to the

remaining two, first, you Texans have always been too justifiably proud to permit additional stars on your uniquely grand Lone Star Banner, which is flying over this building today. The remaining flag, that of Mexico, you fought a bloody revolution to get out from under. So you really cannot fault Arkansas for not having joined you under either of these other two banners.

Texas and Arkansas and the other states of the Southwest do have much in common historically and economically, as well as from the viewpoint of basic beliefs and attitudes respecting our system of government in this country and its proper role in our lives. As a matter of fact, try as I might, I can conjure up only one difference or complaint that I have with Texas and that is your insatiable appetite for pork—you know, sausage, hams, backbone. I say this because every time our University of Arkansas Razorbacks visit this city or Dallas, Fort Worth, Waco, Lubbock, Houston, or College Station, you've got the knives sharpened and the pot boiling and are always sanguinely poised for a Texas-sized hog-killing. This is unfailingly the case, whether or not the weather is sufficiently cold for killing hogs.

I am also honored to address this Joint Legislative Body because, perhaps more so than any other state, it represents all the diversity and pluralism that is the United States. Texas is not only a state of big cities and tremendous metropolitan areas, such as Houston, Dallas-Fort Worth, San Antonio, and the others, but it is small towns, ranches and farms. It is not only a state of large financial institutions and corporate giants of business and industry, it is also the happy and prosperous home of the working man and the wage earner. From Texarkana to El Paso, from your busy gulf ports to the Red River on the north, from the piney woods of East Texas, with which I am most familiar, to the great plains of the West, there is very little sameness and no monotony at all about Texas—geographically, ethnically, ideologically or from any other viewpoint. All of these divergent areas, groups, elements and sectors are very well represented today in this great Legislative Body.

Diversity is the genius of Texas and, perhaps more than anything else, it accounts for the unexcelled contributions that this state has made and is making to the progress and strength of the United States—in commerce, domestic and foreign; in the discovery, production, refinement and distribution of essential natural resources so vital to the nation's economy and defense; in space exploration activity; in finance; in medicine; in the production of all manner of food and fibre; and in almost every area of man's aspiration and endeavor, Texas and Texans may be found in the vanguard.

This is particularly true in government. Texas has produced some of our most distinguished statesmen and dedicated public servants at all levels of government—federal, state and local. I am most familiar with those Texans with whom I have served for over three decades in the national House of Representatives. You have consistently provided one of the most able, articulate, effective and powerful delegations in the House. The legislators whom the voters of Texas have elected to Congress over the years have been men of high integrity and forthright character. For this reason, I am additionally honored to appear before this Body which has spawned so many of my esteemed Texas colleagues in the Congress.

Today, I want to speak to you on a subject that will be voted on very soon in the United States House of Representatives. I am speaking of the comprehensive reform of the public welfare system, in which the Federal Government and the States over the years since its inception have assumed the role of partners. As is true of any partnership worthy of the name, it is conducive to efficient and profitable operation for the partners on occasion to review the partnership agreement, to look again at its provisions in the light of changing circumstances and to reassess the roles of the partners in terms of their individual contributions, their respective responsibilities and the proper part that each should play in implementing the partnership's purpose and improving its performance.

The Committee on Ways and Means has just completed such a comprehensive review of the Federal-State relationship in the public welfare area. We will report a bill to the House, which—if enacted, and I believe it will be—will bring about a significant alteration of this program, will redirect its course, and I am convinced, achieve a more efficient system susceptible to that measure of control that is absolutely necessary to public acceptance and support of any program of welfare, but which admittedly has been sadly lacking under the existing, out-moded system.

There is not a person in this Chamber or anywhere else who is satisfied with the present welfare system, especially the aid to families with dependent children program. The present program is a hodge-podge of differing rules and regulations and benefit levels in the several states. Most disturbing of all, its costs are increasing at an alarming, almost crushing rate.

Federal expenditures for aid for dependent children in 1970 amounted to about \$2.6 billion. State and local expenditures for the program were an additional \$2.2 billion. The first half of the current fiscal year—July through December, 1970,—saw the largest net increase in the number of people on the AFDC rolls in the history of the program, some 1.4 million people, bringing the number of persons on the rolls at the end of December to a total of 9.7 million. Moreover, the most recent estimates by the Department of Health, Education and Welfare indicate that this number will reach 20.3 million by 1977, and this will represent a very disturbing 5-fold increase in the 10-year period from 1967 to 1977.

These figures reveal very vividly and pointedly that primary emphasis under today's program is being given the intake mechanism of the system and that not enough attention has been given the output end, that is, the discovery and implementation of effective means of getting people off welfare. It is too easy for people to get on the rolls and apparently too difficult to get off.

The bill that has been developed by the Committee on Ways and Means is intended to reverse this situation because its provisions place principal emphasis and the spotlight of attention on the terminal end of welfare as well as tightening up on initial entry on the rolls. It is specifically designed to restore families to employment and self-reliance and to stem the present undesirable and alarming trend of spiraling costs and instances of chronic family dependence on welfare.

The Committee on Ways and Means is convinced after long and assid-

uous study and months and months of public hearings and executive sessions that the most feasible way to accomplish this objective is by federalizing the program, establishing uniform requirements and providing an appropriate financial floor nationwide. That floor has been set in the bill at \$2,400 per year for a family of four, that is, \$800 each for the first 2 family members and \$400 each for the next two. The bill will provide for Federal administration of the program.

In line with the basic emphasis on work and training, families in which at least one person is employable would be enrolled in what we call the "Opportunities for Families" program that would be administered not by the Department of Health, Education and Welfare, but by the Department of Labor. Only those families without employable persons would be enrolled in the Family Assistance Plan, the part that would be administered by HEW.

All adult family assistance recipients, except those specifically exempted by the bill, would be required to register for work or training. The exemptions from the registration requirements for work or training are very limited. The Committee has worked long and hard to hold these exceptions to a minimum. The only exceptions would be for those unable to work because of illness, incapacity or age, those under 16, a mother or other relative caring for very young children, that is, children under three years of age when this provision is fully effective, those needed in the home on a continuous basis because of illness or incapacity of another family member, and a mother or other female caring for a child if the father or adult male relative in the home is registered for work or training.

There are stringent penalties for those family members who refuse employment or training. The bill provides for a reduction in benefits when a family member who is employable fails to register as required or fails to accept employment or rehabilitation services or participate in training. The amount of the reduction is \$800 per year in the case of each of the first two family members. This penalty provision is appropriate. The whole thrust and intent of the program is to provide and make attractive employment and training, activities that lead people off welfare. Penalties that have adequate bite must be provided, therefore, for those who would attempt to frustrate this very basic purpose of the program.

On the affirmative side, the "carrot" will be evident and available throughout the new program. The first \$720 per year of earned income plus one-third of the remainder would be disregarded in determining the amount of a family's payment. This should provide a strong incentive for those in the program to take work initially and to increase employment activity. It would mean that a family of four could still receive some benefits under the program until that family's income reached a break-even point of \$4,080 per year.

There are other provisions in this legislation which encourage and boost recipients toward ultimate severance from the program. Training allowances are provided. Child care services will be made available for individuals participating in training or work. Provision is made for rehabilitation services for individuals with disabilities which prevent them from becoming gainfully employed and self-supporting. Public service employment programs would also be used to assure adequate numbers of needed jobs. Every facet of the program is thus designed with one purpose in mind—to assist families in achieving economic independence by restoring them to employment, self-reliance and self-respect.

The control provisions under the new program will be infinitely better than under the old. There are stricter provisions relating to fraud, and civil and criminal penalties for those who desert and abandon their families. It is true that the great majority of poor people who apply for welfare payments are entirely honest and actually in need of financial help. It is the exceptional and occasional cases of fraud or dishonesty that make the headlines, and these exceptional cases represent a real threat to an effective program and public acceptance and support of the program. We will expect vigorous and diligent enforcement of the strengthened provisions in the bill to deter, prevent, detect and eliminate fraud and other instances of abuse in the program. One case of people getting money they should not get is one case too many.

The bill also would Federalize the adult category programs, that is, assistance for the aged, blind and disabled. After a transitional period between now and July 1974, the Federal Government would assume the full cost of the basic payment, which, at that time, would be \$150 per month for an individual and \$200 per month for a couple. The States could supplement these basic Federal amounts if they wish to do so—but would not be required to do so.

Federalization in this particular area, that is, public welfare, is the proper course to achieve greater fairness and equity, desirable uniformity and better control, economy and enforcement of the program, and it will provide significant savings to the States. This is the way to improve the Federal-State partnership. We must continue to seek these specific areas on a case by case basis and determine in a logical, rational, objective manner whether a particular program would lend itself to full Federal responsibility or whether a specific program should be left to the States, or whether it is one where cooperative, tandem effort can best achieve desired, well-defined goals. This is the correct way to provide relief to the States and maintain sound programs.

To be contrasted with this case by case, area by area, approach, which I am convinced will strengthen the Federal-State relationship, is the blunderbuss, general revenue sharing, cure-all-ills proposal, currently being ballyhooed across the country. Oh, yes, it is attractive to financially hard-pressed local governments and some States, but I should think that Texas, above all others, would be the last to heed this siren song. With your present and potential revenue base, as broad and potent as any in the 50 States, and much superior to most of them, what would it profit you to gain a few so-called Federal revenue sharing dollars from Washington today if it means endangering your enviable State revenue resources to debilitation and atrophy and perhaps ultimate Federal confiscation?

Let me draw you an apt parallel: There are those in this country today who, with great fervor and force, call for immediate, unlimited imports of oil from abroad. They look only to the possibility of short run benefits from presently obtainable, cheap foreign oil. They appear to have no appreciation at all for the disastrous consequences that unlimited oil imports would have on domestic discovery and production or on the defense of this country. But you and I know that such unlimited action would create drastic problems for the domestic oil industry and would mean ultimate and complete dependence on the whims of foreign suppliers. If we abandon stewardship of our own resources and become wholly dependent on the questionable beneficence of suppliers abroad, they would soon be telling us not only how much oil they would let us have, but also the premium we

would be forced to pay for it and even how and for what purposes we could use it. Texans are wise and astute enough to see that the general revenue sharing dollar from the Federal Government is really like cheap foreign oil. Crying for it and accepting it can only lead to dependence on Washington and a weakening, and perhaps even a dissolution of those institutions that this great state has built during the course of its proud history.

Again, let me express my profound appreciation for the honor of addressing this distinguished Joint Legislative Body.

At the conclusion of the address by Congressman Mills, Speaker Mutscher addressed the Joint Session expressing appreciation to Congressman Mills.

Speaker Mutscher then introduced the Honorable Preston Smith, Governor of Texas, who addressed the Joint Session briefly.

Lieutenant Governor Barnes also expressed appreciation for the address by Congressman Mills. Governor Barnes introduced Donna Mutscher, wife of Speaker Mutscher, to the Joint Session.

#### SENATE RETIRES

At 11:43 a.m., Lieutenant Governor Ben Barnes stated that the purpose for which the Joint Session had been convened had been accomplished and that the Senate would retire to its Chamber.

#### HOUSE AT EASE

Speaker Mutscher stated that the House would stand at ease pending the departure of the guests.

(Mr. Jim Nugent in the Chair)

The Chair called the House to order at 11:47 a.m.

#### BILL SIGNED BY THE SPEAKER

The Chair announced the signing by the Speaker in the presence of the House, after giving due notice thereof, the following enrolled bill:

SB 622, Relating to retirement age of firemen in certain cities.

(Speaker in the Chair)

#### COMMITTEE MEETING

Mr. Calhoun asked unanimous consent of the House that the Committee on Criminal Jurisprudence be permitted to meet at this time.

There was no objection offered.

#### HCR 127—REFERRED TO COMMITTEE

(Granting permission to Cockrell and Gibbs Enterprises to sue the state)

Mr. Bigham offered the following resolution:

HCR 127

Whereas, Cockrell and Gibbs Enterprises, Inc., alleges that it has paid to Robert S. Calvert, Comptroller of Public Accounts of the State of Texas, and the State of Texas the amount of Eleven Thousand Three Hundred Fifty-one Dollars and Eighty Cents, such amount being for sales taxes imposed on Cockrell and Gibbs Enterprises, Inc., by Robert S. Calvert, Comptroller of Public Accounts of the State of Texas, and the State of Texas; and

Whereas, It is alleged that Cockrell and Gibbs Enterprises, Inc., has paid said amounts under protest and duress; and

Whereas, It is alleged that such taxes were illegally imposed by Robert S. Calvert, Comptroller of Public Accounts, and the State of Texas; now, therefore, be it

Resolved by the House of Representatives of the State of Texas, the Senate concurring, That Cockrell and Gibbs Enterprises, Inc., is hereby granted permission to bring suit against the State of Texas and Robert S. Calvert, Comptroller of Public Accounts of the State of Texas, within two years from the adoption of this resolution, in a court of competent jurisdiction in Travis County, Texas, and said cause of action shall not be barred by limitation until two years from the adoption of this resolution; said suit to be brought in order to recover sales taxes paid to the State of Texas in the amount of Eleven Thousand Three Hundred Fifty-one Dollars and Eighty Cents paid in thirty-six unequal payments from April 20, 1968, through September 10, 1969;

Resolved, That it is understood that the purpose of this resolution is merely to grant permission to bring suit, and nothing herein shall be construed as an admission of liability on the part of the State of Texas or Robert S. Calvert, Comptroller of Public Accounts, or of the truth of the allegations set out herein; and, be it further

Resolved, That such suit upon said cause of action shall be tried and determined in the trial and appellate courts according to the same rules of law and procedure, as to liability and defenses, that would be applicable if such suit were against an ordinary Texas firm, person or corporation; provided any amount determined due Plaintiff in accordance with the provision of this Act shall be approved by act of the Legislature.

The resolution was referred to the Committee on Judiciary.

#### INTRODUCTION OF HB 1786

Mr. Clayton asked unanimous consent to introduce and have placed on first reading HB 1786.

There was no objection offered.

#### HSR 417—ADOPTED

(Congratulating the Honorable Rex Braun on his birthday)

Mr. Cruz offered the following resolution:

HSR 417

Whereas, A particularly hardworking and energetic third-term Representative from Harris County celebrates his Golden Birthday this Sunday, May 2, 1971; and

Whereas, This Representative asks fellow Members to show him no favors concerning his proposed life-saving bills, as he hates to do anything "half-way" and still has a definite half-century left in politics; and

Whereas, This Representative seems devoted and captivated by the relatively new subject of pollution. However, due to his competent means of self expression, both constituents and Members alike are questioning—"Is he for or against pollution?"; and

Whereas, Members who partake of his birthday cake are asked to be especially careful not to spill anything on his clothing. As everyone suspects, he is a walking advertisement for his tailor, and the clothes must be returned; and

Whereas, Past experience in the wrestling-promoter profession has trained him well for his position in the Capitol; rumors have it that he is leading contender for "Referee of the House" in the 63rd legislative session; and

Whereas, He is perhaps the only Member of the House who received a Merit Badge in "crabbing" only to have it relinquished due to language used when he was pinched; and

Whereas, This Representative agrees that "Braun" is definitely better than brain. He therefore contends that, although he wasn't blessed with both qualities, his abundance in "Braun" makes up for his lack of brain; and

Whereas, This was not always so, as a child, he was not "big in body" so much as he was "big on girls"; he was known to be a chief among his fellows in the tribe of "Thirty-Dirties", to lead his tribe in battle on campaigns that lasted years, campaigns that others grew faint-of-heart on, campaigns that mere mortals were left so weak that they could not lift one finger when the bell was rung and the record taken (Oh, if they had but not raised TWO!). Perhaps one of his most famous fights was his six-year battle of equality where he refused to yield his sword, and whirled among his enemies long after they thought that they had killed him, and when again he spun among them chanting the feared war cry: "Aw, gee, vote aye, will ya," it so befuddled his foes (who at first had outnumbered him ten to one) that they dropped their amendments and ran away screaming: "The sexes are equal, regardless of race, creed or color." Then people even outside his tribe agreed that though few in votes at the outset, his heart was very big, and they called him "Little Big Man"; and

Whereas, This mild-mannered tailor has for so long donned his super-threads emblazoned with the initials PM, the sign of the times: both indicating the long hours that he works and his name "Pollution Man"; and

Whereas, Even to this day if one travels about this state at sunset, and chances to see a stream that is thicker than need be, and that reflects the sun in a rainbow of oil colors; and

Whereas, Even today, in these enlightened times, one may see a man in strange garb riding off to do battle with the windmill that sits on that

stream, the natives call him Pollution Man, the tribe Little Big Man, but romantics the world over Texas know him as "Braun Quixote", the incurable romantic; now, therefore, be it

Resolved, That the House of Representatives extend sincerest wishes to Rex Braun on his birthday, May 2, 1971, and extend congratulations also to his family who share in the celebration of this happy occasion; to his wife, Ruth; and their children Mike, Debbie, and Lennie; and, be it further

Resolved, That a copy of this resolution be prepared for the Honorable Rex Braun as a token of appreciation and high regard from his colleagues in the House of Representatives of the 62nd Legislature.

The resolution was read and was unanimously adopted.

On motion of Mr. Ogg, the names of all the Members of the House were added to the resolution as signers thereof.

#### CONGRATULATORY RESOLUTION ADOPTED

The following Congratulatory Resolution was adopted unanimously:

HSR 419, by Bynum, Poff, Cobb, and Cates: Honoring Panhandle Plains Historical Museum on its Golden Anniversary.

#### COAUTHOR OF HB 628

Mr. Johnson was granted permission by the author of HB 628 to sign the bill as coauthor.

#### ADJOURNMENT

Mr. Simmons moved that the House adjourn until 10:00 a.m. next Monday.

The motion prevailed without objection.

The House accordingly, at 11:57 a.m., adjourned until 10:00 a.m. next Monday.

#### APPENDIX

#### STANDING COMMITTEE REPORTS

Favorable reports have been filed by Committees on bills, as follows:

Appropriations: HB 522.

Conservation and Reclamation: HB 703, HB 1417, HB 1672, SB 329, SB 413, SB 680, SB 697.

Engrossed and Enrolled Bills: Correctly engrossed— HB 53, HB 130, HB 144, HB 172, HB 238, HB 305, HB 380, HB 398, HB 440, HB 447, HB 595, HB 640, HB 645, HB 704, HB 705, HB 753, HB 786, HB 789, HB 796, HB 823, HB 826, HB 833, HB 854, HB 889, HB 891, HB 923, HB 931.

HB 976, HB 999, HB 1003, HB 1086, HB 1108, HB 1140, HB 1190, HB 1198, HB 1201, HB 1205, HB 1286, HB 1297, HB 1379, HB 1380, HB 1418, HB 1436, HB 1628, HB 1641, HB 1658, HB 1704, HB 1705.

Public Health: HB 1002.

Livestock: SB 249, SB 398.

Motor Transportation: HCR 126.

SIXTY-SIXTH DAY—MONDAY, MAY 3, 1971

The House met at 10:00 a.m. and was called to order by the Speaker.

The roll of the House was called and the following Members were present:

Mr. Speaker	Davis, H.	Ingram	Salem
Adams	Denton	Jones, D.	Salter
Agnich	Doran	Jones, G.	Schulle
Allen, Joe	Dramberger	Jungmichel	Shannon
Allen, John	Farenthold	Kaster	Short
Allred	Finck	Kilpatrick	Simmons
Angly	Finnell	Kubiak	Slider
Atwell	Finney	Lewis	Solomon
Baker	Foreman	Lombardino	Spurlock
Bass, T.	Garcia	Longoria	Stewart
Beckham	Golman	Lovell	Stroud
Bigham	Grant	McAlister	Swanson
Blanton	Graves	McKissack	Tarbox
Blythe	Hanna, Joe	Mengden	Traeger
Braecklein	Hannah, John	Moncrief	Truan
Braun	Harding	Moore, A.	Tupper
Burgess	Harris	Moore, T.	Uher
Bynum	Hawkins	Murray	Von Dohlen
Calhoun	Hawn	Nabers	Ward
Carrillo	Haynes	Nichols	Wayne
Cates	Head	Niland	Wieting
Cavness	Heatly	Parker, W.	Williams
Christian	Hendricks	Pickens	Williamson
Cobb	Hilliard	Poerner	Wolff
Cole	Howard	Poff	Wyatt
Craddick	Hubenak	Presnal	
Daniel	Hull	Price	
Absent			
Atwood	Earthman	Ligarde	Rosson
Bass, B.	Floyd	Moore, G.	Sanchez
Bowers	Gammage	Nelms	Santiesteban
Boyle	Hale	Neugent, D.	Sherman
Caldwell	Holmes, T.	Newton	Silber
Clark	Holmes, Z.	Nugent, J.	Slack
Clayton	Johnson	Ogg	Smith
Coats	Jones, E.	Orr	Vale
Cruz	Kost	Patterson	
Doyle	Lee	Reed	
Absent-Excused			
Davis, D.	Moreno	Rodriguez	Semos
Lemmon	Parker, C.		