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Cowen
Crain
Curington
Ehrle
Fairchild
Gibbens
Glass
Harding
Harling
Healy
Hisson
Hubbner
Hughes of Dallas
James
Jarvis
Johnson of Dallas
Korkmas
Leaverton
Longoria
McGregor of McLennan
Nugent
Oliver
Osborn
Parsons
Price
Quilliam
Rapp
Read
Roberts of Dawson
Johnson of Dallas
Thurman

ADJOURNMENT

Mr. Cole of Harris moved that the House adjourn until 2:30 o'clock p.m. today.

Mr. James moved that the House adjourn until 11:00 o'clock a.m. tomorrow.

The motion to adjourn until 2:30 o'clock p.m. today prevailed.

In accordance with the motion to adjourn, the House, at 11:50 o'clock a.m., adjourned until 2:30 o'clock p.m. today.

SIXTH DAY
(Thursday, January 11, 1962)

The House met at 2:30 o'clock p.m., pursuant to adjournment, and was called to order by the Speaker.

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

Mr. Speaker
Allen
Adams of Lubbock
Andrews
Adams of Titus
Allen
Akalis
Ballman

Bandfield, Mrs.
Barlow
Barrow
Bartram
Bass
Berry
Bilence
Boysen
Bridges
Buchanan
Burgess
Butler
Caldwell
Cannon
Carriker
Chapman
Cole of Grayson
Cole of Harris
Cole of Hunt
Collins
Connally
Cook
Cotten
Cowen
Cowles
Cran
Creaves
Crain
Dull, Miss
Dungan
Dwyer
Eckhardt
Ehrle
Esquivel
Fairchild
Fletcher
Floyd
Foreman
Garrison
Gibbens
Gladden
Glass
Glassing
Green
Grover
Guffey
Hale
Harling
Harrington
Haynes
Heatly
Heffon
Hinson
Hollowell
Huebner
Hughes of Grayson
Hughes of Dallas
Isaacks, Miss
James
James of Travis
Jamison
Jarvis
Johnson of Dallas
Thurman

Johnson of Bexar
Johnson of Bell
Johnson of Travis
Kennard
Kilpatrick
Kohler
Koliba
Korkmas
Kothmann
Lack
Latimer
Lewis
Longoria
McGiffin
McGregor
McIver
McLennan
McLennan
McLennan
McLennan
Maddock
Markgraf
Martin
Miller
Moore
Mullen
Murray
Mutscher
Niemeyer
Nugent
Oliver
Osborn
Parrs
Percy
Peeler
Petty
Pieratt
Pipkin
Preston
Price
Quilliam
Rapp
Ratcliff
Read
Richards
Richardson
Roberts of Hill
Ross
Ross
Sandahl
Schram
Shannon
Shipley
Shelby
Sidler
Smith of Bexar
Smith of Jefferson
Saelson
Spilman
Springer
Stewart
Stewart of Galveston
Stewart of Wichita
Studdard
Thurman
A quorum of the House was announced present.

The Invocation was offered by the Reverend Clinton Kersey, Chaplain.

LEAVES OF ABSENCE GRANTED

The following Members were granted leaves of absence on account of important business:
- Mr. Cory for today on motion of Mr. Cotton.
- Mr. Jones of Dallas for today on motion of Mr. Lewis.
- Mr. Atwell for today on motion of Mr. Lewis.
- Mr. Leaverton for today on motion of Mr. Pieratt.
- Mr. Lary for today on motion of Mr. Shannon.

MESSAGE FROM THE SENATE

Austin, Texas, January 11, 1962
Hon. James A. Turman, Speaker of the House of Representatives.

Sir: I am directed by the Senate to inform the House that the Senate has passed the following:

S. C. R. No. 7, Permission for Moorlane Company to sue the State of Texas.

Respectfully,
CHARLES A. SCHNABEL
Secretary of the Senate.

MEMORIAL RESOLUTIONS ADOPTED

H. S. R. No. 46, By Mrs. Banfield: In memory of Judge John C. Winfrey.

H. S. R. No. 47, By Mr. Collins: In memory of Bennie Griffin Lindsey.

H. S. R. No. 51, By Messrs. Stewart of Wichita and Connell: In memory of Dr. Ben G. Yeager.

MOTION TO PLACE HOUSE BILL NO. 3 ON THIRD READING

Mr. McGregor of El Paso moved that all the necessary rules be suspended for the purpose of taking up and considering at this time House Bill No. 3 on third reading.

The vote of the House was taken on the motion to suspend the rules and the vote was announced: yeas 81, nays 66.

LEAVES OF ABSENCE GRANTED

The following Members were granted leaves of absence on account of important business:
- Mr. Cotten
- Mr. Jones of Dallas

The roll of those voting yea and nay was again called and the verified motion of Mr. Lewis resulted as follows:

Yeas—81

Alana
Barr
Ballman
Baltimore
Barlow
Boysen
Bridges
Caldwell
Cannon
Carriker
Cole of Harris
Cole of Hunt
Collins
Crews
de la Garza
Dawley
Duff, Miss
Dunagan
Eckardt
Equival
Fairchild
Fletcher
Floyd
Foreman
Garrison
Glass
Gluskin
Green
Grover
Hale
Harley
Harrington
Haynes
Hollowell
Hughey
of Grayson
Imsack, Miss
Jamison
Johnson of Bexar
Johnson of Bell
Jones of Travis
Kendall
Kilpatrick
Kolba
Kochmann
Lack
McColpin
McGregor
McCloskey
McMurry
Mutchiner
Muter
Niemer
Pears
The Speaker stated that the motion to suspend all necessary rules, for the purpose of taking up and considering at this time H. R. No. 3 on third reading, was lost by the above vote, not receiving the necessary two thirds vote.

REASON FOR VOTE

It is patently wrong to require a legislator to make a final decision on the merits or demerits of a Bill as controversial as one purported to regulate the small loan industry in Texas when the Engrossed Bill is not before him in written form. Since House Bill No. 3 had not been placed on my desk, I was not apprised of the exact nature of House Bill No. 3. For the above enumerated reason and others too numerous to mention, I voted "no" on a motion to suspend the rule requiring physical engrossment of the Bill prior to considering it on third and final reading. To do otherwise might have been an irrevocable error.

DAN STRUVE.

INTRODUCTION OF MR. LEWIS TIMBERLAKE

The Speaker introduced Mr. Lewis Timberlake, President of the Texas Junior Chamber of Commerce, to the House.

Mr. Timberlake addressed the House.

TO GRANT PERMISSION TO SUE THE STATE

The Speaker laid before the House for consideration at this time the following resolution:

S. C. R. No. 7

Whereas, The State Highway Department of Texas acting pursuant to a contract between it and the City of Amarillo, Texas, authorized by Ordinance No. 2026 of the City of Amarillo enacted on January 18, 1955, is engaged in the process of building and causing to be built a freeway extending from the West City Limits of the City of Amarillo at Georgia Street to the North City Limits at North 22nd Avenue; and

Whereas, A part of such freeway will be an overpass to be constructed on Pierce Street over the Burlington Railroad Station, the Burlington Railroad tracks, and the C., R.I. & P. Ry. Co. tracks; and

Whereas, Moorlane Company, a corporation, alleges that it is the owner of property abutting such freeway on Pierce Street upon which
is situated a one-story brick building which has been leased by Moorlane Company to Irvin L. Smith; and

Whereas, It is alleged by such owner and tenant that the construction of the approaches of such proposed overpass will take a substantial part of the right of ingress and egress of such owner and tenant from their property to Pierce Street to the extent that an extensive remodeling of the building situated on such property will be required for its use; and

Whereas, It is alleged that neither the State Highway Department of Texas nor the City of Amarillo has invoked its right of Eminent Domain to acquire the above described rights of ingress and egress to Pierce Street and allegedly is threatening to deprive the owner and tenant of such rights without instituting Eminent Domain proceedings and without making any attempt to acquire such rights by purchase or otherwise; now, therefore, be it

Resolved, by the Senate of Texas, the House of Representatives concurring, That Moorlane Company and Irvin L. Smith be and they are hereby granted permission to bring suit against the State of Texas and against the Highway Department of the State of Texas in a District Court of Potter County, Texas, in order to determine whether they are entitled to equitable relief as provided in Article 6674-1, Vernon's Texas Civil Statutes, to protect them from the taking of their property as above set forth without the acquiring of such rights of ingress and egress by Eminent Domain or by purchase or otherwise and if not in order to determine what damages, if any, they are allegedly entitled to recover; and in the event such suit is filed, service of citation or any other necessary process shall be had upon the Chairman of the State Highway Commission of Texas and the Attorney General of the State of Texas and that such case shall be tried as other civil cases reserving to either party the right of appeal; and be it further

Resolved, That nothing herein shall be construed as a waiver of any defenses, of fact as well as law, that may be asserted by or available to the State of Texas, or any of the departments or agencies of the State of Texas, or any of the political subdivisions of the State of Texas, in said suit, but all such defenses are hereby specifically reserved.

The resolution was read.

(Mr. Quilliam Is The Chair)
The resolution was referred to the Committee on State Affairs.

TO GRANT PERMISSION TO SUE THE STATE

The Chair laid before the House for consideration at this time the following resolution:

S. C. R. No. 4

Whereas, On or about the 22nd day of June, 1969, W. H. Nichols & Company, Inc., of Dallas, Texas, a Texas corporation, entered into a contract and agreement for the re-location of the Missouri-Kansas-Texas Railroad as a part of Texas Highway Department Project I-10-7(14)767, in Harris County, Texas; and

Whereas, It is claimed by W. H. Nichols & Company, Inc., that it was caused to do extra or additional work, and provide additional labor and materials in its performance of said work due to an erroneous interpretation and construction of the plans and specifications governing said work by the agents of the State of Texas, the Texas Highway Department, and Engineers that W. H. Nichols & Company, Inc., was coerced and compelled to perform said extra work to its damage and cost.
Whereas, W. H. Nichols & Company, Inc., the Texas corporation aforesaid, desires to sue the State of Texas to determine if the State of Texas is liable for damages and the cost of said alleged extra work and, if so, to determine the amount of such damages and costs; now, therefore, be it

Resolved by the Senate of the State of Texas, the House of Representatives concurring, That W. H. Nichols & Company, Inc., of Dallas, Texas, a Texas corporation, is hereby granted permission to sue the State of Texas, State Highway Engineer, and the Texas Highway Department in any court of competent jurisdiction in Harris County, Texas, and to join the State of Texas, the State Highway Engineer, and the Texas Highway Department as a party defendant with George Consolidated, Inc., Lorraine M. George, Century Construction Company, and Maxwell Construction Company, a joint venture having the prime contract on said project, to determine whether or not the State of Texas is liable for damages and, if liable, the amount of any damages and costs suffered and incurred by said W. H. Nichols & Company, Inc., as a result of any extra, measurements, grade requirements, decisions, errors, erroneous interpretations of plans and specifications, delays, or damages for distress and coercion exercised and imposed upon said contractor by any of the agents, servants, associates, employees, or engineers of the State of Texas and the Texas Highway Department upon or connected with said project, or damages for any wrongful, unreasonable, arbitrary or capricious acts or failures to act committed by any of the persons representing the State of Texas, its Highway Department, its associates and engineers; and be it further

Resolved, That nothing herein shall be construed as a waiver of any defenses, of fact or of law, that may be asserted by or available to the State of Texas, or any of the Departments or Agencies of the State of Texas in said suit, but all such defenses are hereby specifically reserved; and be it further

Resolved, That service of citation and any other legal process shall be served upon the Attorney General of the State of Texas. Service of process upon this officer shall have the force and effect as the service of process upon a defendant in any other civil case, according to the Rules of Civil Procedure as promulgated and adopted by the Supreme Court of Texas; and be it further

Resolved, That the sole purpose of this Resolution is to grant permission to W. H. Nichols & Company, Inc., to bring suit against the State of Texas and join the State of Texas in a suit against the prime contractor aforesaid, and no admission of liability or any fact is made in any way by the passage of this Resolution.

The resolution was read.

(Speaker In The Chair.)

The resolution was referred to the Committee on State Affairs.

CONCERNING THE RESTORATION OF VALUABLE AND HISTORIC PAINTINGS IN THE HOUSE

Whereas, Attention has been called to the condition of certain valuable and historic paintings which hang in the Hall of the House of Representatives and the need for restoration of some of these paintings; and

Whereas, There is necessity for giving these paintings and pictures immediate attention in order that they may be properly preserved; now, therefore, be it

Resolved, That the Speaker of the House appoint a Committee of three (3) Members to investigate the condition of these paintings and the cost of said alleged extra work and, if so, to determine the amount of such damages and costs; now, therefore, be it

Resolved, That nothing herein shall be construed as a waiver of any defenses, of fact or of law, that may be asserted by or available to the State of Texas, or any of the Departments or Agencies of the State of Texas in said suit, but all such defenses are hereby specifically reserved; and be it further

Resolved, That service of citation and any other legal process shall be served upon the Attorney General of the State of Texas. Service of process upon this officer shall have the force and effect as the service of process upon a defendant in any other civil case, according to the Rules of Civil Procedure as promulgated and adopted by the Supreme Court of Texas; and be it further

Resolved, That the sole purpose of this Resolution is to grant permission to W. H. Nichols & Company, Inc., to bring suit against the State of Texas and join the State of Texas in a suit against the prime contractor aforesaid, and no admission of liability or any fact is made in any way by the passage of this Resolution.

The resolution was read.

(Speaker In The Chair.)

The resolution was referred to the Committee on State Affairs.

CONCERNING THE RESTORATION OF VALUABLE AND HISTORIC PAINTINGS IN THE HOUSE

Whereas, Attention has been called to the condition of certain valuable and historic paintings which hang in the Hall of the House of Representatives and the need for restoration of some of these paintings; and

Whereas, There is necessity for giving these paintings and pictures immediate attention in order that they may be properly preserved; now, therefore, be it

Resolved, That the Speaker of the House appoint a Committee of three (3) Members to investigate the condition of these paintings and the cost of said alleged extra work and, if so, to determine the amount of such damages and costs; now, therefore, be it

Resolved, That nothing herein shall be construed as a waiver of any defenses, of fact or of law, that may be asserted by or available to the State of Texas, or any of the Departments or Agencies of the State of Texas in said suit, but all such defenses are hereby specifically reserved; and be it further

Resolved, That service of citation and any other legal process shall be served upon the Attorney General of the State of Texas. Service of process upon this officer shall have the force and effect as the service of process upon a defendant in any other civil case, according to the Rules of Civil Procedure as promulgated and adopted by the Supreme Court of Texas; and be it further

Resolved, That the sole purpose of this Resolution is to grant permission to W. H. Nichols & Company, Inc., to bring suit against the State of Texas and join the State of Texas in a suit against the prime contractor aforesaid, and no admission of liability or any fact is made in any way by the passage of this Resolution.

The resolution was read.

(Speaker In The Chair.)

The resolution was referred to the Committee on State Affairs.
for the express purpose of determining the paintings that are in need of immediate attention and to take appropriate action for the preservation of said paintings; and, be it further resolved, that the expense of said restoration shall be paid from the Contingent Expense Fund of the House upon approval of the Speaker of the House and the Chairman of the Contingent Expense Committee.

The resolution was referred to the Committee on Rules.

CONGRATULATORY RESOLUTIONS ADOPTED

S. C. R. No. 5, To congratulate the residents of Val Verde County.
H. S. R. No. 49, By Mr. Koliba: To recognize the 76th Anniversary of the Sacred Heart Church, La Grange, Texas.

COMMITTEE MEETINGS

Mr. Hollowell asked unanimous consent of the House that the Committee on State Affairs be permitted to meet at this time.

There was objection offered.

Mr. Hollowell then moved that the Committee on State Affairs be permitted to meet at this time.

The motion prevailed.

Mr. Smith of Jefferson asked unanimous consent of the House that the Committee on Rules be permitted to meet at this time.

There was no objection offered.

HOUSE AT EASE

The Speaker, at 3:32 o'clock p.m., stated that the House would stand at ease temporarily.

(While the House stood at ease, Mr. Quilliam occupied the Chair.)

(Speaker In The Chair.)

The Speaker called the House to order at 4:11 o'clock p.m.

CONGRATULATORY RESOLUTION ADOPTED

H. S. R. No. 50, By Mr. Watson: To congratulate Jarrell Franklin McCracken of Waco, Texas.

TO GRANT PERMISSION TO SUE THE STATE

The Speaker laid before the House, for consideration at this time, H. C. R. No. 6, To grant Bernice Crowder permission to sue the State.

The resolution having heretofore been referred to the Committee on State Affairs and reported favorably by the Committee.

The resolution was adopted without objection.

TO GRANT PERMISSION TO SUE THE STATE

The Speaker laid before the House, for consideration at this time, S. C. R. No. 4, Granting permission to W. H. Nichols and Company, Inc., to sue the State.

The resolution having heretofore been referred to the Committee on State Affairs and reported favorably by the Committee.

The resolution was adopted without objection.

HOUSE BILL NO. 3 ON THIRD READING

The Speaker laid before the House, on its third reading and final passage, H. B. No. 3, A bill to be entitled "An Act to define and regulate the business of lending money in amounts of Fifteen Hundred Dollars ($1,500) or less; to authorize the licensing and regulation of persons engaged in such business; to permit licensees to charge a greater rate of charge than lenders not licensed hereunder; to prescribe maximum rates of charge that licensees are permitted to charge; to regulate the purchase or assignment of wages as salary earned, or to be earned, when given as security for a loan or as consideration for a payment of Fifteen Hundred Dollars ($1,500) or less; to provide for the administration and enforcement of this Act and the issuance of regulations and orders therefor; to authorize the making of examinations and investigations and the publication of reports thereon; to provide for the review of administrative acts hereunder; to pro-
vide penalties; etc; to provide for severability; and to declare an emergency."

The bill was read third time.

Mr. Stewart of Galveston offered the following amendment to the bill:

"(b) Each licensee shall annually on or before the first day of April file a report with the Commissioner giving such relevant information as the Commissioner may reasonably require concerning the business and operations during the preceding calendar year for each licensed place of business conducted by such licensee within the State. In addition to all other information reasonably required by the Commissioner such report shall show, among other things, a detailed breakdown of each expenditure for advertising, public relations, legal fees and consultant fees of any nature. Such breakdown shall show the amount of each such expenditure, the name and address of the person receiving such expenditure, and the purpose of such expenditures. Such report shall be made under oath and shall be in the form prescribed by the Commissioner, who shall make and publish annually a consolidated analysis and recapitulation of such reports. Failure to file a report within the time specified, filing a report with omissions or filling a false report shall be sufficient grounds for the irrevocable revocation of a license."

A record vote was requested on the amendment offered by Mr. Stewart of Galveston.

The amendment offered by Mr. Stewart of Galveston was adopted by the following vote:

Yea—109
Mr. Andrews was granted leave of absence for the remainder of the day on account of important business, on motion of Mr. Slider.

Mr. Stewart of Galveston offered the following amendment to the bill:

Amend House Bill No. 3 by adding after the words and figures "Two Hundred Dollars ($200)" on line 29 of page 5 the following words:

"or One-Fourth of One per cent (1/4 of 1%) of the loan volume of each place of business, whichever is greater."

The amendment offered by Mr. Stewart of Galveston was lost.

Mr. Gladden was granted leave of absence for the remainder of the day on account of important business, on motion of Mr. Richardson.

Mr. Struve offered the following amendment to the bill:

Amend House Bill No. 3 by striking out the words and figures "Fifteen Hundred Dollars ($1,500)" wherever they appear in the bill and substituting in lieu thereof the words and figures "Five Hundred Dollars ($500)."

A record vote was requested.

The amendment offered by Mr. Struve was lost by the following vote:

Year—'98
Adams of Lubbock
Adams of Titus
Bailey
Buchanan

Yeas--98
Alansis
Allen
Ballman
Banfield, Mrs.
Barlow
Barnes
Blaine
Boyle
Bridges
Caldwell
Casson
Carriker
Cole of Harris
Cole of Hunt
Connell
Cowman
Cowles
Cran
Crews
Curington
de la Garza
Duff, Miss
Dunlap
Eikhart
Esville
Fairchild
Fletcher
Floyd
Foreman
Garrison
Gibbens
Glaubet
Green
Grover
Gufoey
Hale
Haring
Hart
Heflin
Hollowell
Hughes
Hughes of Galveston
Hughes of Dallas
James
Jamison
Jarrs

Nays--
Adams
Bartram
Adams
Bailey
Buchanan

Mr. Gladden was granted leave of absence for the remainder of the day on account of important business, on motion of Mr. Richardson.

Mr. Struve offered the following amendment to the bill:

Amend House Bill No. 3 by adding after the words and figures "Two Hundred Dollars ($200)" on line 29 of page 5 the following words:

"or One-Fourth of One per cent (1/4 of 1%) of the loan volume of each place of business, whichever is greater."

The amendment offered by Mr. Struve was lost.
Amend House Bill No. 3 by striking out the words and figures "Fifteen Hundred Dollars ($1,600)") wherever they appear in the bill and substituting in lieu thereof the words and figures "Six Hundred Dollars ($600)."

The amendment offered by Mr. Struve was lost.

Mr. Struve offered the following amendment to the bill:

Amend House Bill No. 3 by striking out the words and figures "Fifteen Hundred Dollars ($1,600)") wherever they appear in the bill and substituting in lieu thereof the words and figures "One Thousand Dollars ($1,000)."

The amendment offered by Mr. Struve was lost by the following vote: (not receiving the necessary two-thirds vote):

Yea—73

Nay—61

Adams or Lubbock Dewey
Adams of Titus Deway
Alasita Ehrle
Barlow Equevel
Barnes Fletcher
Bartram Gibbens
Bass Glasing
Buchanan Grover
Burrell Hale
Butler Harding
Caldwell Harling
Canon Harrington
Coke Haynes
Cotten Hefion
Craun Hinson
de la Garza Hollowell

Mr. Struve offered the following amendment to the bill:

Amend House Bill No. 3 by striking out the words and figures "Fifteen Hundred Dollars ($1,600)") wherever they appear in the bill and substituting in lieu thereof the words and figures "One Thousand Dollars ($1,000)."

The amendment offered by Mr. Struve was lost by the following vote: (not receiving the necessary two-thirds vote):

Yea—73

Nay—61

Adams or Lubbock Dewey
Adams of Titus Deway
Alasita Ehrle
Barlow Equevel
Barnes Fletcher
Bartram Gibbens
Bass Glasing
Buchanan Grover
Burrell Hale
Butler Harding
Caldwell Harling
Canon Harrington
Coke Haynes
Cotten Hefion
Craun Hinson
de la Garza Hollowell

Mr. Struve offered the following amendment to the bill:

Amend House Bill No. 3 by striking out the words and figures "Fifteen Hundred Dollars ($1,600)") wherever they appear in the bill and substituting in lieu thereof the words and figures "Six Hundred Dollars ($600)."

The amendment offered by Mr. Struve was lost.

Mr. Struve offered the following amendment to the bill:

Amend House Bill No. 3 by striking out the words and figures "Fifteen Hundred Dollars ($1,600)") wherever they appear in the bill and substituting in lieu thereof the words and figures "Six Hundred Dollars ($600)."

The amendment offered by Mr. Struve was lost.
REASON FOR VOTE

I voted against the Struve amendment though I had favored a bill which would not treat any loan over $1000 as a small loan. The reason I so voted is because I had already substituted my lower rate structure for the higher interest rates that Mr. Cole had favored, and I did not in any way wish to jeopardize passage of regulation of small loans to eliminate or at least reduce the loan shark evil.

The final bill fairly meets my two principal objections: (1) That the original Cole bill legalized more than 40% effective annual interest on very small loans and rates grading down from this point in the loan field up to $100 and (2) that the original bill permitted about 22% interest on the largest loans. The exorbitant rates at the low level were eliminated and the high rate for big loans was reduced by my amendment.

Therefore, I thought the final bill was in good enough form so that it should not be jeopardized by a rather hastily prepared amendment.

BOB ECKHARDT.

Mr. Chapman offered the following amendment to the bill:

Amend House Bill No. 3 by adding after the words and figures "Two Hundred Dollars ($200)" on line 29 of page 6 the following words:

"or One-tenth of One per cent (1/10 of 1%) of the loan volume of each place of business, whichever is less."

The amendment offered by Mr. Chapman was lost.

H. B. No. 3 was passed by the following vote:

**Yeas—119**

- Allen
- Allen
- Bailey
- Balmann
- Bankfield, Mrs.
- Blaine
- Blayton
- Bridges
- Burgess
- Butler
- Caldwell
- Cannon
- Carrick
- Cole of Harris
- Cole of Hunt
- Collins
- Connell
- Cowan
- Cowles
- Crews
- Curtin
- de la Garza
- Dewey
- Duff, Miss
- Duncan
- Eckhardt
- Erza
- Esquivel
- Fairchild
- Fletcher
- Floyd
- Foreman
- Garrison
- Gibson
- Glassing
- Green
- Grover
- Guffey
- Hale
- Harding
- Harrington
- Haynes
- Hefton
- Hollowell
- Huehner
- Hughes
- Hughes of Grayson
- Hughes of Dallas
- heaven, Miss
- Jamison
- Johnson of Dallas
- Johnson of San Antonio
- Johnson of Bell
- Jones of Travis
- Kennard
- Kilpatrick
- Kohler
- Koliba
- Korkmas
- Kothmann
- Lack

**Nays—20**

- Adams of Lubbock
- Adams of Titus
- Buchanan
- Chapman
- Cook
- Latimer
- Lewis
- Lengore
- McCooppa
- McGregor
- McGregor
- McElhany
- Markgraf
- Miller
- Moore
- Mullen
- Murray
- Niemeyer
- Negm
- Oliver
- Pearson
- Quilliam
- Ratliff
- Read
- Richards
- Richardson
- Roberts of Hill
- Roberts of Dawson
- Ross
- Sandahl
- Schenck
- Shannon
- Shoemaker
- Smith of Galveston
- Smith of Jeffersom
- Snook
- Springer
- Stewart
- Thurmond
- Townsend
- Trevino
- Tunnell
- Walker
- Ward
- Watson
- Wells
- Whitefield
- Wilson
- Woods
- Jarvis
Osborn  
Parsons  
Pipkin  
Rapp  
Rosson  
Slider  
Spilman  
Thurman  
Wheatley  
Yezak  

Present—Not Voting  

Cotten  
Heatly  
Andrews  
Atwell  
Cory  
Gladden  

Absent  

Slack  

Absent—Excused  

Jones of Dallas  

Leaverton  


PAIRED  

Mr. Cotten (present), who would vote "nay" with Mr. Cory (absent), who would vote "yea."  

Mr. Cole of Harris moved to reconsider the vote by which H. B. No. 3 was passed and to table the motion to reconsider.  

The motion to table prevailed.  

REASON FOR VOTE  
For Publication in The House Journal:  

There is no problem more serious than the loan shark evil of the state, and I think we should take immediate action to curb this dreadful abuse.  

However, I for one, refuse to be stampeded into voting for a compromise bill which only is a compromise between small loan companies and the large finance companies. This is a compromise made at the expense of the borrowers. I can well understand the good intentions of the author of H. B. 3, who has worked diligently to curb the loan sharks, but in spite of this fact, my opinion is that we should not legalize excessive rates of interest on large loans. The bill is described as a measure to regulate small loans, but actually regulates loans up to $1,500.00.  

And, in addition to these high rates of interest, the finance companies will be able to charge the borrower for credit life insurance, credit health and accident insurance, plus the usual insurance used to secure personal property.  

An attempt was made to allow banks to charge this amount of money. They were not successful this time, but in the future tremendous pressure will be put on the Legislature to allow banks to charge more than ten per cent interest.  

I am for a bill with teeth in it to regulate small lenders, but I cannot be a part of charging over twenty-one per cent on a one thousand dollar loan, and that is exactly what H. B. 3 would have done.  

PAUL B. HARING.  

REASON FOR VOTE AGAINST H. B. 3  

I voted against H. B. 3 on third reading and final passage for the following reasons:  

1. It authorizes a total interest rate of up to 22½% on loans of $1,500.00, which is extremely excessive and is 12½% above present authorized rates.  
2. It is discriminatory, allowing interstate loan corporations and interstate funds to draw a much higher rate of interest than local and state capital invested through banks, savings and loan corporations, credit unions, etc.  
3. I did not have an opportunity to read the engrossed bill, and after it had been amended some 15 times.

<table>
<thead>
<tr>
<th>Size of Loan</th>
<th>Present Law Interest</th>
<th>House Bill Proposed Rate of Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 500.00</td>
<td>10%</td>
<td>27.48%</td>
</tr>
<tr>
<td>$ 600.00</td>
<td>10%</td>
<td>26.40%</td>
</tr>
<tr>
<td>$ 700.00</td>
<td>10%</td>
<td>26.20%</td>
</tr>
<tr>
<td>$ 800.00</td>
<td>10%</td>
<td>24.00%</td>
</tr>
<tr>
<td>$ 900.00</td>
<td>10%</td>
<td>22.92%</td>
</tr>
<tr>
<td>$1000.00</td>
<td>10%</td>
<td>21.96%</td>
</tr>
<tr>
<td>$1100.00</td>
<td>10%</td>
<td>21.32%</td>
</tr>
<tr>
<td>$1200.00</td>
<td>10%</td>
<td>20.40%</td>
</tr>
<tr>
<td>$1300.00</td>
<td>10%</td>
<td>19.80%</td>
</tr>
<tr>
<td>$1400.00</td>
<td>10%</td>
<td>18.48%</td>
</tr>
<tr>
<td>$1500.00</td>
<td>10%</td>
<td>18.48%</td>
</tr>
</tbody>
</table>
4. I feel this bill, as finally passed, falls to achieve the ultimate intended purpose, that of curbing and adequately regulating "Loan Sharks." I feel that new areas have been opened to "Loan Shark" operations by lenders, loaning from $300.00 to $1,500.00.

5. This is not a "Small Loan" bill, for in my district loans of $1,600.00 are not considered small.

GEORGE T. HINSON.

REASON FOR VOTE
I voted against H. B. No. 3 on third reading and final passage for the following reason:

We were required to vote on the bill without the opportunity to read it in final form after the interest rates and many other actions were changed and within (2) two minutes after it was finally printed.

JOE N. CHAPMAN.

REASON FOR VOTE
I voted to limit this bill to loans of $500.00 or less. This amendment was defeated. I also voted to limit this bill to loans of $1,000.00 or less. Both of these amendments were defeated.

The figures below show the rates of interest allowed under this bill on loans over $500.00.

<table>
<thead>
<tr>
<th>Size of Loan</th>
<th>Maximum This Bill</th>
<th>Law</th>
</tr>
</thead>
<tbody>
<tr>
<td>$500.00</td>
<td>10% 27.48%</td>
<td></td>
</tr>
<tr>
<td>600.00</td>
<td>10% 26.40%</td>
<td></td>
</tr>
<tr>
<td>700.00</td>
<td>10% 25.39%</td>
<td></td>
</tr>
<tr>
<td>800.00</td>
<td>10% 24.00%</td>
<td></td>
</tr>
<tr>
<td>900.00</td>
<td>10% 22.92%</td>
<td></td>
</tr>
<tr>
<td>1,000.00</td>
<td>10% 21.95%</td>
<td></td>
</tr>
<tr>
<td>1,100.00</td>
<td>10% 21.13%</td>
<td></td>
</tr>
<tr>
<td>1,200.00</td>
<td>10% 20.40%</td>
<td></td>
</tr>
<tr>
<td>1,300.00</td>
<td>10% 19.80%</td>
<td></td>
</tr>
<tr>
<td>1,400.00</td>
<td>10% 19.30%</td>
<td></td>
</tr>
<tr>
<td>1,500.00</td>
<td>10% 18.48%</td>
<td></td>
</tr>
</tbody>
</table>

To me the percentage of interest allowed under this bill is exorbitant. I, therefore, voted against this bill.

JAMES M. COTTEN.

JESSE M. OSBORN.

REASON FOR VOTE
I voted no on H. B. 3 for the following reason:

I cannot vote to allow usury in Texas or allow the poor people to pay more interest than rich people.

SAM H. PARSONS.

JAMES L. SLIDER.

REASON FOR VOTE
There are several undesirable aspects in H. B. No. 3 as engrossed one of which is the interest rate schedule on loans that will be burdensome on the lending public, in my opinion; therefore, I voted NO on final passage of the bill.

TEZAK.

H. B. NO. 3 ORDERED PRINTED

Mr. Cole of Harris moved that H. B. No. 3, as passed, be printed and placed on the Members' desks.

There was no objection offered, and it was so ordered.

AUTHORIZING CERTAIN CORRECTIONS IN H. B. NO. 3

Mr. Dewey offered the following resolution:

H. S. R. No. 52

Be it resolved that the Engrossing and Enrolling Clerk be authorized to make any typographical corrections or any other purely technical, non-substantive changes needed in H. B. 3 before it goes to the Senate, including proper amendment of the caption; provided that any change made shall be approved by the Speaker.

The resolution was read and was adopted.

HOUSE BILL NO. 3 ON PASSAGE TO ENGROSSMENT

The Speaker laid before the House, as postponed business, on its passage to engrossment:

H. B. No. 2, A bill to be entitled "An Act amending Article 9.26 of Chapter 9, Title 132A, Taxation-General, Revised Civil Statutes of Texas, 1921, as amended and Section (4b) of Section 1, Article XX, House Bill No. 8, Chapter 184, Acts of the Regular Session of the Forty-seventh Legislature (Article 7093a), as amended, to provide for the maintenance of Farm-to-Market Roads and to require the expenditure of certain amounts for the construc-
tion of newly designated Farm-to-Market Roads; making certain appropriations; providing severability; and declaring an emergency."

The bill was read second time on yesterday and further consideration was postponed until 10:00 o'clock a.m. today.

Mr. McIlhany moved that further consideration of House Bill No. 2 be postponed until 10:00 o'clock a.m. next Monday, January 15.

The motion prevailed.

CONCERNING RESTORATION OF VALUABLE AND HISTORIC PAINTINGS HANGING IN THE HOUSE

The Speaker laid before the House for consideration at this time, H. S. R. No. 45, Concerning the restoration of valuable and historic paintings hanging in the House.

The resolution having heretofore been referred to the Committee on Rules and reported favorably by the Committee.

Mr. Hollowell offered the following committee amendment to the resolution:

Committee Amendment No. 1
Committee Substitute for H. S. R. No. 45

Whereas, Attention has been called to the condition of certain valuable and historic paintings and pictures which hang in the Hall of the House of Representatives and the need for restoration of some of these paintings and pictures; and

Whereas, There is necessity for giving these paintings and pictures immediate attention in order that they may be properly preserved; now, therefore, be it

Resolved, That the Speaker of the House appoint a Committee of three (3) Members to investigate the condition of these paintings and pictures for the express purpose of determining the paintings and pictures that are in need of immediate attention and to take appropriate action for the preservation of said paintings and pictures, and, be it further

Resolved, That the expense of said restoration shall be paid from the Contingent Expense Fund of the House upon approval of the Speaker of the House and the Chairman of the Contingent Expense Committee.

The Committee Amendment was adopted without objection.

H. S. R. No. 45, as amended, was adopted.

TO INVITE THE HONORABLE JULIO GALAN DE LA PENA TO ADDRESS THE HOUSE

The Speaker laid before the House for consideration at this time, H. S. R. No. 15, To invite the Honorable Julio Galan de la Pena to address the Texas House of Representatives.

The resolution having heretofore been referred to the Committee on Rules and reported favorably by the Committee.

The resolution was adopted without objection.

CONGRATULATORY RESOLUTIONS ADOPTED

H. S. R. No. 53, By Mr. Johnson of Bexar: Commending and congratulating the Southwest Research Institute.

H. S. R. No. 54, By Mr. Johnson of Bexar: To commend and congratulate Thomas M. Barnes, Jr., and James Clark Barnes.

H. S. R. No. 55, By Mr. Johnson of Bexar: To congratulate Mr. James M. Gaines of San Antonio, Texas.

ADJOURNMENT

Mr. Read moved that the House adjourn until 11:00 o'clock a.m. next Monday.

The motion prevailed.

The Benediction was offered by the Reverend Clinton Kersey, Chaplain.

In accordance with the motion to adjourn, the House, at 5:14 o'clock p.m., adjourned until 11:00 o'clock a.m. next Monday.
APPENDIX

REPORT OF THE COMMITTEE ON ENGROSSED BILLS

Austin, Texas, January 11, 1962
Hon. James A. Turman, Speaker of the House of Representatives.
Sir: Your Committee on Engrossed Bills to whom was referred H. B. No. 3, A bill to be entitled "An Act to define and regulate the business of lending money in amounts of Fifteen Hundred Dollars ($1,500) or less; to authorize the licensing and regulation of persons engaged in such business; to permit licensees to charge a greater rate of interest than lenders not licensed hereunder; to prescribe maximum rates of interest that licensees are permitted to charge; to provide for administration and enforcement of this Act and the issuance of regulations and orders therefor; to provide for the review of administrative acts hereunder; to provide for the making of examinations and investigations and the publication of reports thereof; to provide for the enforcement of this Act and the issuance of regulations and orders therefor; to authorize the making of examinations and investigations; and to declare an emergency." has carefully compared same and finds it correctly engrossed.

H. G. WELLS, Chairman.

STANDING COMMITTEE REPORTS

The following Committees filed favorable reports on a bill and resolutions, as follows:

Conservation and Reclamation:
H. B. No. 12.
Rules: H. S. R. No. 15, H. S. R. No. 45.
State Affairs: H. C. R. No. 6, S. C. R. No. 4.

SEVENTH DAY
(Monday, January 15, 1962)
The House met at 11:00 o'clock a.m., pursuant to adjournment and was called to order by the Speaker.

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

Mr. Speaker Cory
Adams of Lubbock Coten
Adams of Titus Owen
Allen Crain
Andrews Crews
Atwell de la Garza
Bailey Dewey
Blandfield, Mrs. Duff, Miss
Barlow Dungan
Barza Embhardt
Barron Ehrle
Bass Esquivel
Berry Fairfield
Blaine Fletcher
Boyden Floyd
Bridges Foreman
Buchanan Garrison
Burgess Gibbens
Butler Gladden
Caldwell Glass
Cannon Glassing
Carriker Green
Chapman Grover
Cole of Harris Gaffey
Cole of Hunt Hale
Collins Harding
Connell Harrington
Cook Harrington