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By Mr. MONTOYA:

S. 2817. A bill for the relief of Lau Kwun Chung and Pui Li; to the Committee on the Judiciary.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2818. A bill to designate the hospital authorized to be constructed at Fort Jackson, S.C., as the "John J. Riley Memorial Hospital"; to the Committee on Armed Services.

By Mr. PEARSON (for Mr. SCOTT):

S. 2819. A bill for the relief of Ibrahim Zakour Eskaf; to the Committee on the Judiciary.

By Mr. TOWER:

S. 2820. A bill to amend the Federal Water Pollution Control Act in order to provide for regional water pollution control advisory boards; to the Committee on Public Works.

(See the remarks of Mr. TOWER when he introduced the above bill, which appear under a separate heading.)

By Mr. MILLER:

S. 2821. A bill to exempt the State of Iowa from certain provisions of the General Bridge Act of 1946; to the Committee on Public Works.

(See the remarks of Mr. MILLER when he introduced the above bill, which appear under a separate heading.)

By Mr. METCALF (for himself, Mr. MANSFIELD, Mr. BURDICK, Mr. MORSE, Mr. YOUNG of North Dakota, Mr. JORDAN of Idaho, Mr. MONDALE, and Mr. MCCARTHY):

S. 2822. A bill to amend section 5 of the Interstate Commerce Act to insure protection of the public interest in rail merger proceedings; to the Committee on Commerce.

(See the remarks of Mr. METCALF when he introduced the above bill, which appear under a separate heading.)

By Mr. MAGNUSON (for himself, Mr. HARTKE, Mr. HART, and Mr. BREWSTER):

S.J. Res. 130. Joint resolution to authorize and direct the Federal Trade Commission to conduct a comprehensive investigation of unfair methods of competition and unfair or deceptive acts or practices in the home improvement industry, to expand its enforcement activities in this area, and for other purposes; to the Committee on Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above joint resolution, which appear under a separate heading.)

By Mr. ERVIN (for himself and Mr. JORDAN of North Carolina):

S.J. Res. 131. Joint resolution to designate May 20, 1968, as "Charlotte, N.C. Day"; to the Committee on the Judiciary.

(See the remarks of Mr. ERVIN when he introduced the above joint resolution, which appear under a separate heading.)

RESOLUTIONS

THE "LOST BATTALION" OF WORLD WAR I

Mr. JAVITS (for himself and Mr. KENNEDY of New York) submitted a resolution (S. Res. 197) to honor the "Lost Battalion," which was referred to the Committee on Post Office and Civil Service.

(See the above resolution printed in full when submitted by Mr. JAVITS, which appears under a separate heading.)

APPOINTMENT OF COMMITTEE TO NOTIFY THE PRESIDENT CONCERNING THE PROPOSED ADJOURNMENT OF THE SESSION

Mr. MANSFIELD submitted a resolution (S. Res. 198) appointing a committee to notify the President concerning the proposed adjournment of the session, which was considered and agreed to.

(See the above resolution printed in full when submitted by Mr. MANSFIELD, which appears under a separate heading.)

AUTHORIZATION FOR THE PRESIDENT OF THE SENATE TO MAKE CERTAIN APPOINTMENTS AFTER THE SINE DIE ADJOURNMENT OF THE PRESENT SESSION

Mr. DIRKSEN submitted a resolution (S. Res. 199) authorizing the President of the Senate to make certain appointments after the sine die adjournment of the present session, which was considered and agreed to.

(See the above resolution printed in full when submitted by Mr. DIRKSEN, which appears under a separate heading.)

TENDERING THE THANKS OF THE SENATE TO THE VICE PRESIDENT

Mr. MANSFIELD submitted a resolution (S. Res. 200) tendering the thanks of the Senate to the Vice President for the courteous, dignified, and impartial manner in which he has presided over the deliberations of the Senate, which was considered and agreed to.

(See the above resolution printed in full when submitted by Mr. MANSFIELD, which appears under a separate heading.)

TENDERING THE THANKS OF THE SENATE TO THE PRESIDENT PRO TEMPORE

Mr. BYRD of West Virginia submitted a resolution (S. Res. 201) tendering the thanks of the Senate to the President pro tempore for the courteous, dignified, and impartial manner in which he has presided over the deliberations of the Senate, which was considered and agreed to.

(See the above resolution printed in full when submitted by Mr. BYRD of West Virginia, which appears under a separate heading.)

TENDERING THE THANKS OF THE SENATE TO THE ACTING PRESIDENT PRO TEMPORE

Mr. DIRKSEN submitted a resolution (S. Res. 202) tendering the thanks of the Senate to the Acting President pro tempore for the courteous, dignified, and impartial manner in which he has presided over the deliberations of the Senate, which was considered and agreed to.

(See the above resolution printed in full when submitted by Mr. DIRKSEN, which appears under a separate heading.)

RESTRICTION ON MAILING OF UNSOLICITED CREDIT CARDS

Mr. MONDALE. Mr. President, the growth of credit card use and abuse has been so great in the past year that some form of Federal regulation is required that will not hamper the generation of new business.

With this in mind, I introduce, for appropriate reference, a bill to restrict the mailing of unsolicited credit cards. The bill is identical with the one introduced by my distinguished colleague from Minnesota, Congressman KARTH. Congressman KARTH's efforts to protect the consumer, particularly his attempt to obtain Post Office regulation of unsolicited credit card mailings, are well known on both sides of the Capitol.

The bill I am introducing would make the following protective measures required by law:

First. All unsolicited credit cards to be sent by registered mail and delivered only to the addressee.

Second. Return postage to be guaranteed if the enclosed credit card is refused or undeliverable.

Third. Envelopes containing unsolicited credit cards to bear notice of credit card enclosed and that it may be refused.

Ample evidence of the need for some type of reform is available in the statistics on credit card business. A thousand companies have issued over 140 million credit cards. Last year 1.5 million cards were reported lost or stolen resulting in more than $100 million worth of fraudulent business; a substantial portion of the cards stolen were taken from the mailboxes. Increased business losses are inevitably passed on to customers in higher prices.

The mailing of unsolicited credit cards is a major factor in rising fraud. We do not want to prevent the mailing of unsolicited cards, often the only way a bank has of attracting customers to a new credit service or an oil company has of meeting competition in a market largely controlled by cards. We do hope to control the unfortunate effects from mass mailings of unsolicited cards to consumers. There exists a difference between requiring care in mailing credit cards and requiring that cards be mailed only to those who have asked for them.

Bank credit cards and credit cards issued by oil companies recently have caused the most headaches. In Chicago not long ago five banks, including three of Chicago's biggest banks, sent out 5 million cards to people who had not asked for them. Many of these cards were stolen, some even taken by postal workers. The banks finally retracted those credit cards.

The issuance of credit cards en masse and unsolicited is fairly widespread in the oil industry. It is reported that Texaco recently distributed 2 million cards unsolicited in California. Texaco's success—the mass issuance brought a sales jump—may very well tempt others to follow suit.

In addition to oil and banking uses, consumers can employ cards to pay for travel and entertainment, to buy airline tickets and even to charge groceries and pay property taxes. The convenience of credit cards is welcomed, but the harassment of unwanted cards is not. As more items can be purchased with credit cards, the number of businesses that decide to pad their customer lists by is-

suing cards in mass unsolicited mailings is likely to increase.

Needed are limitations on such practices that will safeguard the recipient from harassment and from unjust demands by creditors to pay debts never incurred because the card upon which the bills were run up was stolen from the mail. The protection of registered, identifiable mail should protect the recipient and at the same time allow businesses to increase their customer lists through the device of unsolicited credit cards.

Mr. President, I ask that a copy of this bill be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2793) to restrict the mailing of unsolicited credit cards, introduced by Mr. MONDALE, was received, read twice by its title, referred to the Committee on Post Office and Civil Service, and ordered to be printed in the RECORD, as follows:

S. 2793

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 83 of title 18, United States Code, is amended by adding the following new section immediately following section 1734:

"§ 1735. Unsolicited credit cards and similar documents and devices nonmailable

"(a) Except as provided in subsection (b) of this section, every credit card and every other document and device intended or adapted for the purpose of establishing the identity and credit of any person in connection with the purchase or rental on credit of goods or services, or the obtaining of loans, are nonmailable matter and shall not be conveyed in the mails or delivered from any post office or station thereof or by any letter carrier, and shall be withdrawn from the mails under such regulations as the Postmaster General shall prescribe.

"(b) This section does not apply to credit cards or other documents or devices described in subsection (a) when mailed—

"(1) by any person other than the issuer or a person acting on behalf of the issuer;

"(2) in response to a request or application therefor;

"(3) as a replacement for a credit card or other such document or device previously used under the authority of the addressee; or

"(4) under the following conditions:

"(i) the mailing is by registered mail restricted to delivery to addressee only;

"(ii) the envelope bears the following endorsement on the face in letters not less than one-quarter inch in height 'unsolicited credit card—addressee may refuse' or words of similar import prescribed by the Postmaster General to make nonmailable such credit card or other such document or device; and

"(iii) the sender agrees to pay an additional charge for any mailing returned to him covering the cost to the Department of such return as established by the Postmaster General.

"(c) Whoever knowingly deposits or causes to be deposited for mailing or delivery any matter declared by this section to be nonmailable matter except in accordance with subsection (b) of this section shall be fined not more than $1,000 or imprisoned not more than two years, or both."

(b) The table of contents of chapter 83 of title 18, United States Code, is amended by adding at the end thereof the following:

"1735. Unsolicited credit cards and similar documents and devices nonmailable."

AMENDMENT OF INTERNAL REVENUE CODE RELATING TO INVESTMENT COMPANIES FURNISHING CAPITAL TO DEVELOPMENT CORPORATIONS

Mr. SMATHERS. Mr. President, I introduce at this time, for appropriate reference, a bill which would amend the Internal Revenue Code of 1954 to provide a longer period of time for disposition of certain assets in the case of regulated investment companies furnishing capital to development companies.

Present law treats electing regulated investment companies as conduits, taxing these companies only on the income which they do not distribute to shareholders—and taxing shareholders on the balance. Companies otherwise eligible, in order to qualify for this tax treatment, must invest 50 percent of their assets in cash, cash items and certain securities. In the case of most companies otherwise eligible, in respect of any one issuer, these securities, in order to count toward fulfilling the overall 50-percent test, may not be greater in value than 5 percent of the value of the companies' total assets or more than 10 percent of the outstanding voting securities of the issuer.

An exception to the 5- and 10-percent limits applies, allowing investments even when in excess of these limits to count toward fulfilling the 50-percent test, in the case of a development capital company. This is a company which, the Securities and Exchange Commission determines, engages principally in furnishing capital to corporations "principally engaged in the development or exploitation of inventions, technical improvements, new processes, or products not previously generally available to the public." The exception for such a company applies only when the cost—or other basis—of the security or securities of an issuer did not, at the time of the first or any subsequent acquisition of the securities of the issuer, exceed 5 percent of the value of the development company's assets. The exception, with respect to each issuer, applies only for a 10-year period following the company's first acquisition of a security of the issuer—if the company at all times continues to hold a security of the issuer.

The exception to the 5- and 10-percent limits for a development capital company does not apply in one instance. That is where more than 25 percent of the value of the company's assets are in securities of issuers with respect to each of which the company exceeds the 10-percent limit on investments in voting securities and, as explained above, the company has held a security in each issuer for a continuous 10-year period. In such instance, however, even though the company may no longer exceed the 5- and 10-percent limits with respect to new investments, it, nevertheless, still may elect regulated investment company treatment. This latter is the result of a savings provision which applies to regulated investment companies generally.

The effect of the 10-year period above noted and the savings provision is to produce the following described anomalous result. A company, whose only justification for taxation as a regulated investment company is that it once operated as a development capital company, continues to be taxed as such even though the company may no longer make those investments which qualified it for this treatment in the first instance.

Of those two development companies which now qualify as regulated investment companies, one is in a position where failure to extend the 10-year period will hamstring its activities in the manner noted above. An amendment extending this period will avoid this result. And, coupled with an amendment denying application of the general savings provision to a regulated investment company which previously has relied on the special rules for a development capital company, the amendment will prevent the anomaly which may occur under present law from resulting in the future.

This bill makes the two suggested amendments. First, the bill extends the existing 10-year period to 20 years. Second, it limits the general savings provision, so that it does not apply with respect to a company which has relied on the exceptions to the 5- and 10-percent limits for development capital companies. In addition to the two amendments noted above, this bill also makes a technical amendment. This amendment provides that an investment of a development capital company in a debt obligation having a maturity date not more than 5 years is to be considered as a cash item—and not as an investment in the securities of the issuer subject to the 5- and 10-percent investment limits—if the obligation is not convertible or associated with the issuance of stock rights or warrants.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2794) to amend the Internal Revenue Code of 1954 to provide a longer period of time for disposition of certain assets in the case of regulated investment companies furnishing capital to development companies, introduced by Mr. SMATHERS was received, read twice by its title, and referred to the Committee on Finance.

PROPOSED DEDUCTION FOR FEDERAL INCOME TAX PURPOSES OF CERTAIN CONTRIBUTIONS TO STATE CONSTITUTIONAL CONVENTIONS

Mr. DIRKSEN. Mr. President, before the General Assembly of the State of Illinois adjourned this year, it passed a resolution calling for a Constitutional Convention to deal with our Internal Revenue Code. That means that it has to go to the States in the form of a referendum. It requires a considerable fund, under a constitutional provision that obtains.

Obviously, to obtain 2½ million votes is a considerable undertaking; and they have requested that I introduce a bill making contributions for that purpose exempt from income taxes.

Accordingly, I introduce a bill, and ask for its appropriate reference.

The PRESIDING OFFICER. The bill