

COMMONWEALTH OF PENNSYLVANIA

Legislative Journal

WEDNESDAY, FEBRUARY 6, 1980

Session of 1980

164th of the General Assembly

No. 10

HOUSE OF REPRESENTATIVES

The House convened at 11 a.m., e.s.t.

THE SPEAKER (H. JACK SELTZER) IN THE CHAIR

PRAYER

THE HONORABLE CHARLES F. NAHILL, JR., member of the House of Representatives and guest chaplain, offered the following prayer:

Our Father, these are troubled times in our state, our Nation, and our world. More than ever, we need a sense of urgency and purpose. More than ever, we need to remember that our guiding principles should be what is just and moral in the eyes of God and of man. Watch over us as we go about our tasks. Amen.

PLEDGE OF ALLEGIANCE

(The Pledge of Allegiance was enunciated by members.)

JOURNAL APPROVAL POSTPONED

The SPEAKER. Without objection, approval of the Journal for Tuesday, February 5, 1980, will be postponed until printed.

COMMUNICATION

COMMONWEALTH OF PENNSYLVANIA OFFICE OF BUDGET AND ADMINISTRATION

February 1, 1980

Subject: Agency List of Commonwealth Employees

To: Charles F. Mebus Chief Clerk of the House of Representatives

From: Charles T. Sciotto Director of Personnel

Attached is the Agency List of Commonwealth Employees for agencies under the Governor's jurisdiction, forwarded in compliance with Acts 61A and 62A.

Attachment

(List is filed and included in Appendix.)

LEAVES OF ABSENCE GRANTED

The SPEAKER. The Chair recognizes the majority whip. Mr. S. E. HAYES. Mr. Speaker, I request leave of absence for Mr. ALDEN for today's session.

The SPEAKER. The Chair recognizes the gentleman from Bucks, Mr. Gallagher.

Mr. GALLAGHER. Mr. Speaker, I request leaves of absence for Messrs. WILLIAMS, COHEN, and RICHARDSON for today's session.

The SPEAKER. Without objection, leaves are granted.

HOUSE BILLS INTRODUCED AND REFERRED

No. 2230 By Representatives GANNON, ZORD, FREIND, ARTY, RYAN, DURHAM, MICOZZIE, ALDEN, PUNT, MOWERY, POTT, SALVATORE, GEESEY, ROCKS, SIEMINSKI, PETERSON, CIMINI, GRUPPO, FISHER, McVERRY, NAHILL, SERAFINI, VROON, BELARDI, ANDERSON, GEIST, E. G. JOHNSON, WASS, S. E. HAYES, JR., WILT, GOEBEL, McKELVEY, KNEPPER, BURNS, MADIGAN, SCHEAFFER, W. W. FOSTER, BURD, D. M. O'BRIEN, GALLEN, DIETZ, SWIFT, KANUCK, BITTLE, LEVI, SIRIANNI, PITTS, E. Z. TAYLOR, BOWSER, McCLATCHY, M. R. CLARK, TELEK, WENGER, ARMSTRONG, KLINGAMAN, CESSAR, GLADECK, E. H. SMITH, LASHINGER, CORNELL, FISCHER, STAIRS, HALVERSON, CUNNINGHAM, COSLETT, LEHR, POLITE, LEWIS, PICCOLA, MANMILLER, DININNI, MACKOWSKI, A. C. FOSTER, JR., DAVIES, YOHN, McMONAGLE, HELFRICK, BORSKI, PUCCIARELLI, JONES, COCHRAN, KUKOVICH, MURPHY, MICHLOVIC, DAWIDA AND PERZEL.

An Act prohibiting abusive, fraudulent and deceptive acts and practices by providers of and persons eligible for State medical assistance; providing remedies and penalties therefor; imposing certain participation requirements on providers and persons eligible; providing for third party liability; and imposing powers and duties on the Attorney General, the Department of Public Welfare and the district attorneys.

Referred to Committee on HEALTH AND WELFARE, February 5, 1980.

No. 2231 By Representatives GEIST, KOLTER, TADDONIO, WILT, PITTS, RITTER, M. R. CLARK, TELEK, POLITE, E. G. JOHNSON, POTT, BITTLE, S. E. HAYES, JR., IRVIS, ITKIN, COWELL, CHESS, McVERRY, CESSAR, ZORD AND FISHER.

An Act adopting the interstate high speed intercity rail passenger network compact and for related purposes.

Referred to Committee on TRANSPORTATION, February 5, 1980.

No. 2232 By Representatives BROWN AND BRANDT.

An Act amending Title 18 (Crimes and Offenses) of the Pennsylvania Consolidated Statutes, further defining burglary.

Referred to Committee on JUDICIARY, February 5, 1980.

No. 2233 By Representatives DOMBROWSKI, DiCARLO, SCHWEDER, ARTY, BOWSER AND CAPPABIANCA.

An Act amending the "Public Welfare Code," approved June 13, 1967 (P. L. 31, No. 21), further providing for the qualifications for social workers.

Referred to Committee on HEALTH AND WELFARE, February 5, 1980.

No. 2234 By Representatives LETTERMAN, BENNETT, KOLTER, GEIST, HASAY AND CESSAR.

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, excluding undercarriages for mobile or modular homes from registration.

Referred to Committee on TRANSPORTATION, February 5, 1980.

No. 2235 By Representatives DORR, McCALL, L. E. SMITH, BENNETT AND RAPPAPORT.

An Act amending "The Administrative Code of 1929," approved April 9, 1929 (P. L. 177, No. 175), regulating forms and paperwork burden of the various departments, boards and commissions.

Referred to Committee on BUSINESS AND COMMERCE, February 5, 1980.

No. 2236 By Representatives CALTAGIRONE, BROWN AND CAPPABIANCA.

An Act amending the "Urban Redevelopment Law," approved May 24, 1945 (P. L. 991, No. 385), requiring acts of authorities to be approved by the municipalities.

Referred to Committee on STATE GOVERNMENT, February 5, 1980.

No. 2237 By Representative McCLATCHY.

A Supplement to the act of , entitled "An act providing for the capital budget for the fiscal year 1979-1980," itemizing emergency public improvement projects to be constructed by the Department of General Services together

with their estimated financial cost; authorizing the incurring of debt without the approval of the electors for the purpose of financing the projects, stating the estimated useful life of the projects, and making an appropriation.

Referred to Committee on APPROPRIATIONS, February 5, 1980.

No. 2238 By Representative McCLATCHY.

An Act amending the "Korean Conflict Veterans' Compensation Bond Act," approved May 4, 1959 (P. L. 285, No. 39), to reduce the authorization.

Referred to Committee on APPROPRIATIONS, February 5, 1980.

No. 2239 By Representative McCLATCHY.

An Act amending the act of April 22, 1949 (P. L. 715, No. 175), entitled "An act empowering, *** and making an appropriation," to reduce the maximum amount of bonds to be issued.

Referred to Committee on APPROPRIATIONS, February 5, 1980.

HOUSE RESOLUTIONS INTRODUCED AND REFERRED

No. 176 By Representatives STREET, RICHARDSON, WHITE, OLIVER AND BARBER.

House urges Department, Public Welfare cease implementation of regulations on limited reimbursement for methadone clinic visits.

Referred to Committee on RULES, February 5, 1980.

No. 177 By Representatives CALTAGIRONE, BROWN, KUKOVICH AND CAPPABIANCA.

House urges Congress and the President of the United States require oil companies divest all of their holdings not related to oil.

Referred to Committee on FEDERAL-STATE RELATIONS, February 5, 1980.

MASTER ROLL CALL RECORDED

The SPEAKER. The members will please take their seats. The Chair is about to take the master roll. Only those members in their seats will be recorded.

The following roll call was recorded:

YEAS—185

Anderson	Freind	Lynch, E. R.	Ryan
Armstrong	Fryer	McCall	Salvatore
Arty	Gallagher	McClatchy	Scheaffer
Austin	Gallen	McKelvey	Schmitt
Barber	Gamble	McMonagle	Schweder
Belardi	Gannon	McVerry	Serafini
Bennett	Gatski	Mackowski	Seventy
Berson	Geesey	Madigan	Shupnik
Bittle	Geist	Manderino	Sieminski
Borski	George, C.	Manmiller	Sirianni
Bowser	George, M. H.	Michlovic	Smith, E. H.
Brandt	Gladeck	Micozzie	Smith, L. E.
Brown	Goebel	Milanovich	Spencer

Burd	Goodman	Miller	Spitz
Burns	Grabowski	Moehlmann	Stairs
Caltagirone	Greenfield	Mowery	Steighner
Cappabianca	Grieco	Mrkonic	Stewart
Cessar	Gruppo	Mullen	Street
Chess	Halverson	Murphy	Stuban
Cimini	Harper	Musto	Sweet
Clark, B. D.	Hasay	Nahill	Swift
Clark, M. R.	Hayes, Jr., S.	Novak	Taddonio
Cochran	Helfrick	Noye	Taylor, E. Z.
Cole	Hoeffel	O'Brien, B. F.	Taylor, F.
Cornell	Honaman	O'Brien, D. M.	Telek
Coslett	Hutchinson, A.	O'Donnell	Thomas
Cowell	Hutchinson, W.	Oliver	Trello
Cunningham	Irvis	Perzel	Vroon
DeMedio	Itkin	Peterson	Wachob
DeVerter	Johnson, E. G.	Petrarca	Wargo
DeWeese	Johnson, J. J.	Piccola	Wass
DiCarlo	Jones	Pievsky	Wenger
Davies	Kanuck	Pistella	White
Dawida	Klingaman	Pitts	Wilson
Dietz	Knepper	Polite	Wilt
Dininni	Knight	Pott	Wright, D. R.
Dombrowski	Kolter	Pratt	Wright, Jr., J.
Dorr	Kowalyszyn	Pucciarelli	Yahner
Duffy	Kukovich	Punt	Yohn
Dumas	Lashinger	Pyles	Zeller
Durham	Laughlin	Rappaport	Zitterman
Earley	Lehr	Reed	Zord
Fee	Letterman	Rhodes	Zwinkl
Fischer	Levi	Rieger	
Fisher	Levin	Ritter	Seltzer,
Foster, W. W.	Lewis	Rocks	Speaker
Foster, Jr., A.	Livengood	Rodgers	

NAYS—0

NOT VOTING—11

Alden	Giammarco	McIntyre	Weidner
Beloff	Gray	Richardson	Williams
Cohen	Hayes, D. S.	Shadding	

The **SPEAKER**. One hundred eighty-five members having indicated their presence, a master roll is established.

WELCOMES

The **SPEAKER**. The Chair welcomes to the hall of the House Miss Cindy Simon, who is with the National Conference of State Legislatures, and she is here visiting us today as the guest of the entire House.

The Chair also welcomes Miss Cindy Piriano, who is with the Pocono Mountain Chamber of Commerce and is here as the guest of Mr. Serafini.

The Chair welcomes to the balcony the fifth grade class of the Benjamin Franklin School and their teacher, all from the city of Harrisburg, and they are here today as the guests of Mr. Reed.

The Chair also welcomes to the front of the House Mrs. Leah Toth, Rod Hornbake, and Don Preston, who are here as the guests of Messrs. Kolter, Milanovich and Laughlin.

CALENDAR

**BILL AGREED TO ON
SECOND CONSIDERATION**

The following bill, having been called up, was considered for the second time and agreed to, and ordered transcribed for third consideration:

HB 2101, PN 2829

HR 157 ADOPTED

Mr. **POTT** called up **HR 157, PN 2626**, entitled:

House directs Urban Affairs Subcommittee on Second Class Cities investigate delay in construction of Pittsburgh Convention-Exposition Center.

On the question,
Will the House adopt the resolution?

The following roll call was recorded:

YEAS—171

Anderson	Foster, Jr., A.	Levin	Rocks
Armstrong	Freind	Lewis	Rodgers
Arty	Fryer	Livengood	Ryan
Austin	Gallagher	Lynch, E. R.	Salvatore
Barber	Gallen	McCall	Scheaffer
Belardi	Gamble	McClatchy	Schmitt
Bennett	Gannon	McKelvey	Schweder
Berson	Gatski	McMonagle	Serafini
Bittle	Geesey	McVerry	Shupnik
Borski	Geist	Mackowski	Sieminski
Bowser	George, C.	Madigan	Smith, E. H.
Brandt	Gladeck	Manderino	Smith, L. E.
Brown	Goebel	Manmiller	Spitz
Burd	Goodman	Michlovic	Stairs
Burns	Greenfield	Micozzie	Steighner
Caltagirone	Grieco	Milanovich	Stewart
Cappabianca	Gruppo	Moehlmann	Street
Cessar	Halverson	Mowery	Stuban
Chess	Harper	Mrkonic	Sweet
Cimini	Hasay	Mullen	Swift
Clark, B. D.	Hayes, Jr., S.	Murphy	Taddonio
Clark, M. R.	Helfrick	Musto	Taylor, E. Z.
Cochran	Hoeffel	Nahill	Taylor, F.
Cole	Honaman	Novak	Telek
Cornell	Hutchinson, A.	Noye	Vroon
Coslett	Hutchinson, W.	O'Brien, B. F.	Wachob
Cowell	Irvis	O'Brien, D. M.	Wargo
DeMedio	Itkin	O'Donnell	Wass
DeWeese	Johnson, E. G.	Oliver	Wenger
DiCarlo	Johnson, J. J.	Perzel	White
Davies	Jones	Peterson	Wilson
Dawida	Kanuck	Petrarca	Wilt
Dietz	Klingaman	Piccola	Wright, D. R.
Dininni	Knepper	Pievsky	Wright, Jr., J.
Dombrowski	Knight	Pistella	Yahner
Dorr	Kolter	Pitts	Yohn
Duffy	Kowalyszyn	Polite	Zeller
Dumas	Kukovich	Pott	Zitterman
Durham	Lashinger	Punt	Zord
Earley	Laughlin	Rappaport	Zwinkl
Fee	Lehr	Reed	
Fischer	Letterman	Rieger	Seltzer,
Fisher	Levi	Ritter	Speaker
Foster, W. W.			

NAYS—1

Grabowski

NOT VOTING—24

Alden	Giammarco	Pucciarelli	Sirianni
Beloff	Gray	Pyles	Spencer
Cohen	Hayes, D. S.	Rhodes	Thomas
Cunningham	McIntyre	Richardson	Trello
DeVerter	Miller	Seventy	Weidner
George, M. H.	Pratt	Shadding	Williams

The question was determined in the affirmative, and the resolution was adopted.

REMARKS ON VOTES

The SPEAKER. The Chair recognizes the gentleman from Allegheny, Mr. Seventy.

Mr. SEVENTY. On HR 157, would you put my name in the "yes" column, please?

The SPEAKER. The gentleman's remarks will be spread upon the record.

The Chair recognizes the gentleman from Allegheny, Mr. Trello.

Mr. TRELLO. Mr. Speaker, my switch was inoperative at the time the vote was taken on HR 157. I want to be recorded in the positive.

The SPEAKER. The gentleman's remarks will be spread upon the record.

The Chair recognizes the gentleman from Centre, Mr. Cunningham.

Mr. CUNNINGHAM. Mr. Speaker, I would like to be recorded in the affirmative on HR 157.

The SPEAKER. The gentleman's remarks will be spread upon the record.

CALENDAR CONTINUED

HR 166 ADOPTED

Mr. MOWERY called up HR 166, PN 2805, entitled:

General Assembly recognize the week of February 10-16, 1980, as Pennsylvania "Rock 'N Roll Jamboree Week."

On the question,
Will the House adopt the resolution?

The following roll call was recorded:

YEAS—179

Anderson	Foster, Jr., A.	Levin	Ryan
Armstrong	Freind	Lewis	Salvatore
Arty	Fryer	Livengood	Scheaffer
Austin	Gallagher	Lynch, E. R.	Schmitt
Barber	Gallen	McCall	Schweder
Belardi	Gamble	McClatchy	Serafini
Bennett	Gannon	McKelvey	Seventy
Berson	Gatski	McMonagle	Shupnik
Bittle	Geesey	McVerry	Sieminski
Borski	Geist	Mackowski	Smith, E. H.
Bowser	George, C.	Manderino	Smith, L. E.
Brandt	George, M. H.	Manmiller	Spencer
Brown	Gladeck	Michlovic	Spitz
Burd	Goebel	Micozzie	Stairs
Burns	Goodman	Milanovich	Steighner
Caltagirone	Grabowski	Miller	Stewart
Cappabianca	Greenfield	Moehlmann	Street
Cessar	Grieco	Mowery	Stuban
Chess	Gruppo	Mrkonic	Sweet
Cimini	Halverson	Mullen	Swift
Clark, B. D.	Harper	Murphy	Taddonio
Clark, M. R.	Hasay	Musto	Taylor, E. Z.
Cochran	Hayes, Jr., S.	Nahill	Taylor, F.
Cole	Helfrick	Novak	Telek
Cornell	Hoeffel	Noye	Thomas
Coslett	Honaman	O'Brien, B. F.	Trello
Cowell	Hutchinson, A.	O'Brien, D. M.	Vroon
Cunningham	Hutchinson, W.	O'Donnell	Wachob
DeMedio	Irvis	Oliver	Wargo
DeVerter	Itkin	Perzel	Wass
DeWeese	Johnson, E. G.	Peterson	Wenger
DiCarlo	Johnson, J. J.	Petrarca	White
Davies	Jones	Piccola	Wilson
Dawida	Kanuck	Pievsky	Wilt

Dietz	Klingaman	Pistella	Wright, D. R.
Dininni	Knepper	Pitts	Wright, Jr., J.
Dombrowski	Knight	Polite	Yahner
Dorr	Kolter	Pott	Yohn
Duffy	Kowalshyn	Pucciarelli	Zeller
Dumas	Kukovich	Punt	Zitterman
Durham	Lashinger	Reed	Zord
Earley	Laughlin	Rieger	Zwinkl
Fee	Lehr	Ritter	
Fischer	Letterman	Rocks	Seltzer,
Fisher	Levi	Rodgers	Speaker
Foster, W. W.			

NAYS—1

Rappaport

NOT VOTING—16

Alden	Gray	Pratt	Shadding
Beloff	Hayes, D. S.	Pyles	Sirianni
Cohen	McIntyre	Rhodes	Weidner
Giammarco	Madigan	Richardson	Williams

The question was determined in the affirmative, and the resolution was adopted.

Ordered, That the clerk present the same to the Senate for concurrence.

SR 228 ADOPTED

Mr. RYAN called up SR 228, entitled:

Designating February 11, 1980 through February 17, 1980 as "Polish National Alliance Week".

On the question,
Will the House concur in the resolution of the Senate?

The following roll call was recorded:

YEAS—176

Anderson	Freind	Livengood	Salvatore
Armstrong	Fryer	Lynch, E. R.	Scheaffer
Arty	Gallagher	McCall	Schmitt
Austin	Gallen	McClatchy	Schweder
Belardi	Gamble	McKelvey	Serafini
Bennett	Gannon	McMonagle	Seventy
Berson	Gatski	McVerry	Shupnik
Bittle	Geesey	Mackowski	Sieminski
Borski	Geist	Manderino	Sirianni
Bowser	George, C.	Manmiller	Smith, E. H.
Brandt	George, M. H.	Michlovic	Smith, L. E.
Brown	Gladeck	Milanovich	Spencer
Burd	Goebel	Miller	Spitz
Burns	Goodman	Moehlmann	Stairs
Caltagirone	Grabowski	Mowery	Steighner
Cappabianca	Greenfield	Mrkonic	Stewart
Cessar	Grieco	Mullen	Stuban
Chess	Gruppo	Murphy	Sweet
Cimini	Halverson	Musto	Swift
Clark, B. D.	Harper	Nahill	Taddonio
Clark, M. R.	Hasay	Novak	Taylor, E. Z.
Cochran	Hayes, Jr., S.	Noye	Taylor, F.
Cole	Helfrick	O'Brien, B. F.	Telek
Cornell	Hoeffel	O'Brien, D. M.	Thomas
Coslett	Honaman	O'Donnell	Trello
Cowell	Hutchinson, A.	Oliver	Vroon
Cunningham	Hutchinson, W.	Perzel	Wachob
DeMedio	Irvis	Peterson	Wargo
DeVerter	Itkin	Petrarca	Wass
DeWeese	Johnson, E. G.	Piccola	Wenger
DiCarlo	Johnson, J. J.	Pievsky	White
Davies	Jones	Pistella	Wilson
Dawida	Kanuck	Pitts	Wilt
Dietz	Klingaman	Polite	Wright, D. R.
Dininni	Knight	Pott	Wright, Jr., J.
Dombrowski	Kolter	Pucciarelli	Yahner
Dorr	Kowalshyn	Punt	Yohn

Duffy	Kukovich	Rappaport	Zeller
Durham	Lashing	Reed	Zitterman
Earley	Laughlin	Rieger	Zord
Fee	Lehr	Ritter	Zwikel
Fischer	Letterman	Rocks	
Fisher	Levi	Rodgers	Seltzer,
Foster, W. W.	Levin	Ryan	Speaker
Foster, Jr., A.	Lewis		

NAYS—0

NOT VOTING—20

Alden	Giammarco	Madigan	Richardson
Barber	Gray	Micozzie	Shadding
Beloff	Hayes, D. S.	Pratt	Street
Cohen	Knepper	Pyles	Weidner
Dumas	McIntyre	Rhodes	Williams

The question was determined in the affirmative, and the resolution was concurred in.

Ordered, That the clerk inform the Senate accordingly.

REMARKS ON VOTE

The SPEAKER. The Chair recognizes the gentleman from Mifflin, Mr. DeVerter. For what purpose does the gentleman rise?

Mr. DeVERTER. Mr. Speaker I was detained in my office, I would like to be recorded in the affirmative on HR 157, PN 2626, please.

The SPEAKER. The gentleman's remarks will be spread upon the record.

CONSIDERATION OF DISCHARGE RESOLUTION POSTPONED

The SPEAKER. The Chair recognizes the gentleman from Allegheny, Mr. Goebel.

Mr. GOEBEL. Mr. Speaker, I would like to call up the discharge resolution on HR 20 today, but if you would perhaps pass over it temporarily until after caucus, that is when I would like to do it.

The SPEAKER. The Chair recognizes the majority leader.

Mr. RYAN. It was my understanding from a conversation I had with Mr. Goebel yesterday that he was not pressing for calling it up today, and I had no intention of calling it up today, my hope being that we can start work today, break for lunch, come back, get rid of HB 538 and one or two other bills that should not take much time, and leave for the day.

Mr. GOEBEL. Okay, that is fine, Mr. Speaker. Then I will wait until next week on that.

Mr. RYAN. Thank you, Mr. Speaker.

STATEMENT BY MR. STREET

The SPEAKER. The Chair recognizes the gentleman from Philadelphia, Mr. Street. For what purpose does the gentleman rise?

Mr. STREET. I rise to a question of personal privilege.

The SPEAKER. The gentleman will state it.

Mr. STREET. There are two brief points that I would like to bring to the attention of the House and would hope that as we move to correct both of these situations we will get support.

One is that I am appalled at the fact that pharmacies across this state can rip off the Department of Health and Welfare over half a million dollars—

The SPEAKER. Will the gentleman yield? It is the Chair's feeling that the gentleman is not asking for a point of personal privilege but is—

Mr. STREET. Unanimous consent to address the House, Mr. Speaker?

The SPEAKER. The gentleman, Mr. Street, asks unanimous consent of the House to make a speech. The Chair hears no objection. The gentleman is in order and may proceed.

Mr. STREET. Mr. Speaker, I wanted to bring a—

Mr. RYAN. Pardon me. Mr. Speaker, did I understand you to say that Mr. Street wants to make a speech? Is it on something on the calendar, Mr. Speaker?

Mr. STREET. A brief statement, Mr. Speaker.

Mr. RYAN. Please, brief. I am not being smart, but I would like to move the calendar. The ordinary thing is for a member to stand at the end of the session if he wants to make remarks regarding something that is in a nonlegislative area. So I would request that it be brief, if you do not mind.

Mr. STREET. I have no objection to being brief.

The SPEAKER. The gentleman may proceed.

Mr. STREET. Mr. Speaker, I want to bring to the attention of this House that I am personally, in that I represent poor people, appalled that the Department of Health and Welfare can be ripped off over half a million dollars through pharmacies and the only action that is taken against those pharmacies now is to suspend them from the program for 2 years. I think it is a disgrace in view of the fact that we have legislation before this House that will take poor people off the general assistance, and then we in the State of Pennsylvania can permit the pharmacies to rip off by the hundreds of thousands this state and the only thing that happens is they get a little slap on the wrist and are told that you will be suspended from the program for a period of 2 years, which we all know is a bunch of—and I cannot say what I want to say on the floor of this House, but it is a bunch of.

What I want to bring to the attention of this House is that I do not think that we as legislators should have to tolerate this type of behavior. I think some type of directive should go to the state Attorney General, to the Philadelphia district attorney, to the DA's or the prosecutors in these counties, and demand that prosecution of these rip-off artists in the pharmaceutical business be prosecuted. Until that happens I would suggest that we will never get any discipline and the rip offs will continue across this state even at a greater rate as long as they can be assured that the only thing that is going to happen is a little slap on the wrist or they will be suspended from the program. Thank you.

POINT OF INFORMATION

The SPEAKER. The Chair recognizes the gentleman from Philadelphia, Mr. Perzel. For what purpose does the gentleman rise?

Mr. PERZEL. I rise to a point of information, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. PERZEL. Mr. Speaker, about 3 weeks ago the House of Representatives passed HB 1251. In HB 1251 there are provisions to strip any pharmacy of their license and to provide criminal penalties for any pharmacy throughout the Commonwealth that is caught cheating the state. So it is in the Senate, Mr. Speaker.

The SPEAKER. The Chair recognizes the majority leader.

Mr. RYAN. Mr. Speaker, I move the order of business.

CONSIDERATION OF CALENDAR RESUMED BILL ON THIRD CONSIDERATION

The House proceeded to third consideration of **HB 538, PN 2522**, entitled:

An Act amending the "Goods and Services Installment Sales Act," approved October 28, 1966 (1st Sp. Sess., P. L. 55, No. 7), defining "medical care provider," providing for the preservation of consumers' claims and defenses and further providing for service charges.

On the question,

Will the House agree to the bill on third consideration?

Mr. ITKIN offered the following amendments:

Amend Sec. 1 (Sec. 501), page 3, by inserting between lines 26 and 27 (c) Notwithstanding the rates provided for in paragraphs (a) and (b) of this subsection, no seller or holder of a retail installment contract engaged primarily in the business of selling at wholesale or retail fuel for motor vehicles in the United States may charge, receive and collect a service charge in excess of fifteen percent (15%) simple interest per annum, on the unpaid balances.

Amend Sec. 1 (Sec. 904), page 5, by inserting between lines 4 and 5 (c) Notwithstanding the rates provided for in paragraphs (a) and (b) of this subsection, no seller or holder of a retail installment account engaged primarily in the business of selling at wholesale or retail fuel for motor vehicles in the United States may charge, receive and collect a service charge in excess of one and one-quarter percent (1 1/4%) per month.

On the question,

Will the House agree to the amendments?

The SPEAKER. The Chair recognizes the gentleman from Allegheny, Mr. Itkin.

Mr. ITKIN. Mr. Speaker, this amendment would exclude those business entities that are engaged primarily in the business of selling at wholesale or retail fuel for motor vehicles. In other words, the oil companies will not be allowed to be the beneficiaries of this legislation. If this legislation were to pass, they would still be under existing law, and the maximum rate of interest they could charge on their credit accounts would still be 15 percent.

I think this is a fair amendment to the bill in view of the fact of the windfall profits that the oil companies have received over the past couple of years, and I doubt whether our constituents wish to provide them with increased profits that this particular bill would provide. Mr. Speaker, I think this is fair, and I urge the members of the House to adopt the amendment.

The SPEAKER. The Chair recognizes the gentleman from Allegheny, Mr. Pott.

Mr. POTT. Mr. Speaker, I rise in support of the Itkin amendment. There is absolutely no reason why this House of Representatives should consider granting an additional 3-percent interest rate to the oil companies. We all know the record profits that these companies have disclosed during the past month - profits up as much as 200 percent, profits of \$4 billion. They certainly do not need relief from this General Assembly on the interest that they can charge consumers. I strongly urge this House of Representatives to adopt the Itkin amendment. Thank you, Mr. Speaker.

CONSTITUTIONAL POINT OF ORDER

The SPEAKER. The Chair recognizes the gentleman from Allegheny, Mr. Grabowski.

Mr. GRABOWSKI. Mr. Speaker, I have no love for the oil companies, but I would like to raise the question if this is constitutional.

The SPEAKER. The gentleman from Allegheny, Mr. Grabowski, raises the question of the constitutionality of the amendment offered by the gentleman from Allegheny, Mr. Itkin. Under the rules of the House, the constitutionality of legislation is determined by the members of the House. Therefore, the question before the House is the constitutionality of the amendment.

On this question, the Chair recognizes the gentleman from Allegheny, Mr. Itkin.

Mr. ITKIN. Mr. Speaker, we believe that this amendment is constitutional, that it meets the constitutional requirements of being uniform among the class, because we are being nondiscriminatory that any oil company will be treated the same. In addition, there is current law which deals with interest charges, the state's usury law, which is separate and apart from these particular commercial transactions, which has weathered the court stand of constitutionality. We have been told that it is within our purview to impose among different classes different rates of interest they may charge on credit.

Mr. Speaker, in my judgment, this amendment is constitutional.

The SPEAKER. Does the gentleman, Mr. Grabowski, wish to debate the issue?

Mr. GRABOWSKI. Mr. Speaker, I feel that you are segregating the oil companies, which are commercial enterprises, from other commercial establishments, and I think it only proper that we put it to a vote of the House.

The SPEAKER. The Chair recognizes the gentleman from York, Mr. Dorr.

Mr. DORR. Mr. Speaker, would the gentleman from Allegheny consent to interrogation?

The SPEAKER. Mr. Itkin or Mr. Grabowski?

Mr. DORR. Mr. Itkin.

The SPEAKER. The gentleman, Mr. Itkin, indicates that he will. The gentleman, Mr. Dorr, may proceed.

Mr. DORR. Mr. Speaker, did I understand the gentleman to indicate that he thinks the oil companies are definable as a separate class for constitutional purposes?

Mr. ITKIN. Yes, Mr. Speaker.

Mr. DORR. Would the gentleman indicate that he would also believe, for example, that we could charge the oil companies a different rate of corporate net income tax than we charge everybody else, all other corporations, because they are a separate class?

Mr. ITKIN. I do not know the answer to that particular question.

Mr. DORR. Would it not follow from what you are indicating here? If they are a separate class for this purpose, would they not also be a separate class for all other purposes?

Mr. ITKIN. We charge different rates. We have a usury law that is separate and distinct from other transactions involving the interest paid on money. It is separate and distinct. We have a 6-percent ceiling now on the usury law. This particular type of bill does not come under that purview when it has been separate and distinct.

I think it is constitutional, Mr. Speaker, and I would urge the House to approve the amendment, and if there is a constitutional test, let that be done in the courts.

Mr. DORR. Mr. Speaker, may I make some remarks?

The SPEAKER. The gentleman, Mr. Dorr, is in order.

Mr. DORR. Mr. Speaker, I suppose it is not smart for any politician to vote on a bill in favor of the oil companies at this point in time, but I think if we are exercising our constitutional responsibility, as we have all taken an oath to do, that we are going to have to vote in the negative on the matter of constitutionality of the Itkin proposal.

The courts of this Commonwealth have held many, many times on the issue of the establishment of separate classes. Clearly the oil companies are no different from anybody else in the sense that they are selling at retail a particular good. In this case it happens to be oil, and that is a negative thing politically nowadays, but they are clearly not establishable as a separate class.

Mr. Itkin refers to other aspects of the usury provisions of our statutes in the Commonwealth of Pennsylvania, but, in fact, the distinction is not on the basis of what is being sold but on the basis of the particular transaction involved. For other transactions, other types of transactions, there are different usury laws. For sales at retail, it is my opinion that we are going to have to be consistent and cover sales at retail under the usury law the same, regardless of what particular item is being sold. To follow Mr. Itkin's argument, you could establish a different rate of usury for the sale of hammers as opposed to the sale of screwdrivers, and I do not think that that kind of classification will hold up

in the courts. If we are going to do our duty here, I think we are going to have to vote in the negative on this issue.

The SPEAKER. The Chair recognizes the gentleman from Allegheny, Mr. Itkin.

Mr. ITKIN. Mr. Speaker, the fallacy of the gentleman from York's argument is that we now have in existing law a separate class at retail for automobiles. Since Mr. Dorr seems to state that we have to treat all goods sold at retail at the same rate, why is it, Mr. Speaker, that the current rate for sales of automobiles at retail is 7 percent and not 15 percent under this particular act? So it is clear to me that we do have laws that have been tested which do allow us to exclude at retail various classes. We treat automobiles differently than we do other types of goods, and that is at retail, and we should treat oil products in the same fashion, Mr. Speaker. I support the amendment, and I support its constitutionality.

The SPEAKER. The Chair recognizes the gentleman from Berks, Mr. Davies.

Mr. DAVIES. Mr. Speaker, in relation to the constitutionality of this, would the gentleman stand for one or two other questions of interrogation?

The SPEAKER. The question before the House is only on the constitutionality of the amendment, and the gentleman may interrogate on that question.

Mr. DAVIES. Yes, well, just for the sake of clarity, sir, so that I know what essentially the gentleman is addressing himself to.

The SPEAKER. The gentleman is in order and may proceed.

Mr. DAVIES. Mr. Speaker, you are saying any wholesaler or retailer. Would that include those who are independents who buy their materials from an oil company and are an independent operator essentially, whereas they are not one of the oil companies that express some \$4 billion in profit or anything like that but merely a retailer, whether it be an independent, single retailer or a fellow who has two or three stations, or it would be some other company such as, let us say, one of the chain retailers in the United States operating a station in the Commonwealth?

Mr. ITKIN. Mr. Speaker, the amendment specifically deals with those business entities at wholesale or retail whose primary operation is the sale of fuel for motor vehicles. Now it may be that you are talking about an oil company that may not be as large as Gulf Oil or Mobil Oil, but you cannot tell me today that any independent developer of oil is not making off like a bandit today. He may have a smaller operation, but his profits are intense.

Mr. DAVIES. No, Mr. Speaker. I am addressing myself to a small wholesaler and retailer in my county who buys his product from one of the national manufacturers and wholesales and retails in my county. I think that the definition that you have here is merely including that individual in it, and that is what I want clarity on, simply to understand what the question is as far as the constitutionality issue. Now is that correct or is that not correct, sir?

Mr. ITKIN. Mr. Speaker, if that particular business entity that you are referring to in your home county provides credit on its own house operation, then, yes, and if it is in the primary purpose of selling fuel for motor vehicles, then, yes, its interest it could charge would be limited to 15 percent. But many of these independent operators still use the credit operations of the large dealer that they purchase the fuel from. A Gulf gas station, for example, which may be independently owned, uses the Gulf credit system for the receipt of its accounts. But in the case that you would suggest, if that individual or small business entity on its own provided its own credit operation billed to that particular business, then, yes, it would be limited to 15 percent.

Mr. DAVIES. Mr. Speaker, I will reserve the statements that I have relative to the amendment, because I am not going to address myself to the constitutionality of it but the merits of the issue itself, because it does include those small dealers who are wholesale and retail dealers that I have in my district, and, of course, I will make that statement in due time. Thank you.

The SPEAKER. On the question of constitutionality, those who believe that the amendment is constitutional will vote "aye"; those who believe it is unconstitutional will vote "no."

The Chair recognizes the gentleman from Allegheny, Mr. Grabowski.

Mr. GRABOWSKI. Mr. Speaker, before we vote, I would like to point out one inconsistency I can see with this amendment. If, for example, you went into a Gulf gas station and you purchased tires on credit, you would be paying a lower rate of interest for those tires as opposed to if you went to Sears and bought those tires on credit. You would be paying a higher rate of interest if this amendment went in. By the same token, if you went to a Sears or a J. C. Penney and you purchased gasoline, you would be paying the higher interest rate as opposed to going, say, to the Gulf gas station and purchasing the gasoline. So I do see an inconsistency in here, and I do not think it is constitutional.

On the question recurring,

Will the House sustain the constitutionality of the amendments?

The following roll call was recorded:

YEAS—110

Austin	George, C.	Lynch, E. R.	Ritter
Barber	George, M. H.	McCall	Rocks
Belardi	Gladeck	McKelvey	Rodgers
Bennett	Goebel	McMonagle	Salvatore
Berson	Goodman	Manderino	Schmitt
Borski	Greenfield	Manmiller	Seventy
Brown	Harper	Michlovic	Shupnik
Cappabianca	Hasay	Miller	Stairs
Clark, B. D.	Hoeffel	Mrkonic	Steighner
Clark, M. R.	Hutchinson, A.	Mullen	Stewart
Cochran	Hutchinson, W.	Murphy	Street
Cole	Irvis	Nahill	Stuban
Cornell	Itkin	Novak	Swab
Coslett	Johnson, J. J.	O'Brien, B. F.	Taddonio
Cowell	Jones	O'Brien, D. M.	Taylor, F.
DeMedio	Kanuck	O'Donnell	Telek

DeWeese	Klingaman	Oliver	Trello
Dawida	Knight	Perzel	Wachob
Dininni	Kolter	Petrarca	Wargo
Dombrowski	Kowalyszyn	Piccola	Wass
Dumas	Kukovich	Pievsky	White
Fee	Lashinger	Pistella	Wilson
Fischer	Laughlin	Pott	Yahner
Fryer	Lehr	Pucciarelli	Zeller
Gallagher	Letterman	Rappaport	Zitterman
Gallen	Levi	Reed	Zord
Gamble	Levin	Rieger	Zwilk
Gatski	Livengood		

NAYS—66

Anderson	Duffy	Lewis	Sieminski
Armstrong	Durham	McClatchy	Smith, E. H.
Arty	Earley	McVerry	Smith, L. E.
Bittle	Fisher	Mackowski	Spencer
Bowser	Foster, W. W.	Madigan	Spitz
Brandt	Foster, Jr., A.	Milanovich	Swift
Burd	Freind	Moehlmann	Taylor, E. Z.
Burns	Gannon	Mowery	Thomas
Cessar	Geist	Noye	Vroon
Chess	Grabowski	Peterson	Wenger
Cimini	Grieco	Pitts	Wilt
Cunningham	Gruppo	Polite	Wright, D. R.
DeVerter	Halverson	Punt	Wright, Jr., J.
DiCarlo	Hayes, Jr., S.	Ryan	Yohn
Davies	Helfrick	Scheaffer	
Dietz	Honaman	Schweder	Seltzer,
Dorr	Johnson, E. G.	Serafini	Speaker

NOT VOTING—20

Alden	Giammarco	Micozzie	Richardson
Beloff	Gray	Musto	Shadding
Caltagirone	Hayes, D. S.	Pratt	Sirianni
Cohen	Knepper	Pyles	Weidner
Geesey	McIntyre	Rhodes	Williams

The majority required by the Constitution having voted in the affirmative, the question was determined in the affirmative and the constitutionality of the amendments was sustained.

On the question recurring,

Will the House agree to the amendments?

The SPEAKER. The Chair recognizes the gentleman from Berks, Mr. Davies.

Mr. DAVIES. Mr. Speaker, while I again would reiterate some of the statements made by Mr. Dorr on the popularity of speaking to supporting anything as far as increases in major oil companies and those record profits, the gentleman from Allegheny County who just spoke on the question as far as the constitutionality of it is absolutely right. We would be going to a dual pricing system in this Commonwealth that would give a distinct advantage as far as the credit and the use of credit in various aspects of the retailing and wholesaling of these items as far as the public was concerned.

The other thing that would be devastating to my small oil dealers and gasoline dealers in my area would be that I have many of these fellows who serve no more than, let us say, 200, 300, 400 customers in addition to some gasoline stations and things of that nature in which they themselves would fall under this, and the small dealer would be subject to the same restrictions as the national oil companies. I think that I admire Mr. Itkin's efforts at trying to get at the

problem and putting these restraints on these major oil companies but what he is doing is he is going to hit everybody, and these small fellows cannot be competitive and not remain in business.

Then the next thing that I get that I have some real concern about is not only the aspects of this but the fallout from this very thing. What may well happen is that the small individual whom we are trying to protect and that credit and that rollover that that person can use to try to spread his income over the year by using credit and going from one month of severe need for credit down to getting his level out of his income into the summer months and paying off these rising costs of oil, that they are not only going to extend it to this particular product, but what they will do is then, of course, cut down on the credit in the other areas such as home heating fuel and make it, of course, a very, very difficult thing. The real people who need the credit over the winter months are not going to be extended that credit, and, of course, again we are going to run into more of the same. I admire the intent of the amendment, but I am afraid that the fallout and maybe the retributions on it are going to harm the very people whom Mr. Itkin is trying to protect with this amendment. Thank you, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman from Chester, Mr. Vroon.

Mr. VROON. Mr. Speaker, I think we ought to be a little bit careful and less emotional about this particular amendment. Yes, I know and we all know that the oil companies' profits are increasing steadily year after year. There are some facts that we do not know about this which we ought to take into account. The fact of the matter is the oil companies are now about to be faced and hit with an excess profits tax, windfall excess profits tax, by the Federal Government. You can approve of that if you like, and I do approve of that. I think it is the proper thing to do, but when are you going to stop hitting these oil companies? This excess profits tax is already going to bleed billions and billions of dollars of excess profits out of their coffers, and it is going to put them into so-called worthy purposes by the U.S. Government. Are we not already penalizing the oil companies?

The second thing that we ought to be very practical about: What would happen to our consumers, Mr. Speaker, if the oil companies decided to stop extending credit to the consumer? That is their prerogative, and if we get a little bit too snotty about this, this is just something that could happen. So let us not get carried away with emotionalism, and let us not single out one particular segment of our society and say you are making too much money and disregard the fact that it is already being hit by the Federal Government and disregard the fact that if they withdrew their credit, then where would our consumers go for credit? And this is the time, with the high price of gasoline, that we need that credit. I like it; I am sure you like it; I think we ought to preserve it. Let us not play around with this. It is not that big; it is not going to make that much difference

to the individual consumer, this trifling bit of difference in the interest rate, and I strongly urge the defeat of this amendment.

The SPEAKER. The Chair recognizes the gentleman from Lancaster, Mr. Armstrong.

Mr. ARMSTRONG. Mr. Speaker, I have mixed emotions about this amendment because I do not like the bill at 18 percent. I think that is quite unfair, but I think it is also unfair to single out the oil companies. We hear of these fantastic profits they are making; they said 200 percent or 300 percent. Two hundred percent of what? The way you base earnings is return of assets, and if you base the return of assets to oil companies, it is not quite as high as people think. There are many industries out there making a much higher return on assets than the oil companies, but they are always talking percentages. Well, 200 percent—you make a dollar and now you make \$2—it sounds great, but they are dealing mainly in percentages. The last group they singled out years ago was the railroads, and they said the railroads were making too much money. So they tore into the railroads, and as a result, you know what happened to our railroads. Many of them went bankrupt.

There is not an unlimited amount of money that the oil companies have. They have to invest tremendous sums of money to get a good return, and if they are such a great investment, how come if you would have bought Texaco or Gulf Oil 12 years ago, you still would be behind the eight ball and not have made one penny had you bought the common stock. You would be losing money yet, and people fail to realize that. So I think it is wrong to point out an individual group of an area, as far as investors go, to have a reduced rate of interest. You should make it uniform, and I still think it is unconstitutional to just single out one group. So I think we should vote against this amendment.

The SPEAKER. The Chair recognizes the gentleman from York, Mr. Foster.

Mr. A. C. FOSTER. Mr. Speaker, will the gentleman from Allegheny, Mr. Itkin, consent to interrogation?

The SPEAKER. Will the gentleman, Mr. Itkin, stand for interrogation? The gentleman indicates that he will. The gentleman may proceed.

Mr. A. C. FOSTER. Mr. Speaker, under the terms of your amendment, this will apply at the distributor level as well as at the corporate level of, say, Gulf, Exxon, et cetera. In other words, the distributor down on Main Street will be affected to the same degree as the major oil companies.

Mr. ITKIN. Any wholesaler or retailer who offers credit on sales of fuel used for motor vehicles and that is their primary business operation, and if it offers credit in that regard, it is restricted to 15 percent. If it is not primarily in that business, perhaps part but not primarily, then they are allowed to charge what the bill provides.

Mr. A. C. FOSTER. What will be the impact of your amendment on the cost of credit for home heating oil?

Mr. ITKIN. It should not affect it at all, because if the ABC heating oil company is selling fuel not for use in

motor vehicles primarily but for use in home heating, then it is not excluded from this particular thing.

Mr. A. C. FOSTER. Your amendment then just addresses itself to gasoline?

Mr. ITKIN. It speaks to fuel for motor vehicles, not fuel for any other purpose.

Mr. A. C. FOSTER. I thank the gentleman.

The SPEAKER. The Chair recognizes the gentleman from Lehigh, Mr. Zeller.

Mr. ZELLER. Mr. Speaker, I would like to remind the House of something very serious. If you do a little homework, you will find out why you should vote for the Itkin amendment. A previous speaker—I mean a previous speaker; you go back about three or four of them—you will find out that when the independent gas station dealers came in with their problem, the same people could not even see that the bill got out of committee. They did not hold hearings. They held what you call an information meeting to have the oil companies come in and hear their story, and they allowed the independents to come in and hear their story. Then when I talked to the individual about getting this bill moving, they said there was no problem. They wanted to look at it awhile and see what developed. Now they are still talking for the oil companies. They are saying that the oil companies are good boys and girls and we have got to let them go, and we are going to hurt the free enterprise system. I do not want to hurt the free enterprise system. If anybody fights for the free enterprise system, I will fight for it. But you have more independent gas station dealers who brought these large oil companies to where they are today by slaving out there for them, and now they want to take the business away from them, and that is going on across this state. Freeze them out of allocations and price them out of the business, taking their business away from them, and I hear the hue and cry here that they are okay. I cannot believe it. Now you people who are going to vote *against this*, you go back and you tell your independent gas station dealers what you did. You tell them. I will not have to. You go out and they are going to find out about it anyway, but see if you can answer that question.

No one is trying to kill the oil companies, but the oil companies are trying to kill the business in this country. They are doing it with the independents. They are killing them. Right down the street—and I will not mention an oil company's name; I do not think it is fair—but company X, say, for instance, or company B—no; I am not saying that; I am saying company A and B we will use—for instance, they will take a dealer down the street who sells the same gasoline and oil products and murder him right out of the business and get all the allocations they want. They are owned by the company and they can get all the gasoline they want, and the independent right down the street with the same company is frozen out. Now if you think that is not going on, that is happening, and the same chairman of that subcommittee said to me there is no problem, and he spoke on the floor of the House a few minutes ago. Now that is what is going on. He knows it and we all know it.

That is one of the reasons I say that we have got to go along with this, because we have a crisis going on and we have to give them a message, and that is a fact. So you *people answer to your independent oil dealers*. You answer them. I know one thing: They are going to get the message from me.

The SPEAKER. The Chair recognizes the gentleman from Allegheny, Mr. Cowell.

Mr. COWELL. Mr. Speaker, I, too, urge that we adopt the Itkin amendment. It has been suggested on this floor this morning that if we do not include the oil companies in the higher interest rate provision, the oil companies might quit extending credit to Pennsylvania residents. I do not think anybody really believes that. That is simply not going to happen. The oil companies use the credit card as a marketing device, and it simply should not be a genuine or real fear.

Secondly, I think we ought to keep in mind that throughout the debate on HB 538, which has been around for a year now, we have not been contacted by a single oil company. I have not and the people around me have not been contacted by a single oil company expressing any interest in this bill. I think that the oil companies as well as most of the members of this House, and certainly our constituents, recognize that the oil companies do not need the higher interest rate.

I believe this bill is distasteful enough. Whether you are for or against this bill generally, it is distasteful enough to go back to your constituents and tell them that they are going to pay more for the privilege of using credit. To tell them that they are going to pay more, not only to their local bank, not only to their local retail store, but also to the oil companies of this country, would be adding insult to injury, and I think it would be foolish for any one of us to put ourselves in that kind of position, particularly those who ultimately will choose to vote in favor of HB 538. I think that we should adopt the Itkin amendment. Thank you.

The SPEAKER. The Chair recognizes the gentleman from Mercer, Mr. Bennett.

Mr. BENNETT. Mr. Speaker, I do not want to get embroiled in the aspects of the amendment too greatly. However, I just think that the members of this House ought to reflect upon this: The oil companies already are denying credit in some areas. Now the statement has been made that oil companies would not be likely to do this, and I just last evening as well as last week and on several occasions have attempted to purchase gasoline on a Master Charge credit card or a Visa credit card and have been absolutely denied and have been told by those retailers that the gas companies have told them—that is, the huge conglomerates have told them—that they will not accept a credit card unless it is a credit card issued by that oil company. It happened last evening at an ARCO station with me; it happened last week at a Sunoco station and at an Amoco station. These companies already are refusing to recognize what is touted to be the most visible credit card in

the world, and that is Visa or Master Charge. So I would urge the members of this body to take that into consideration when they are voting on this amendment. Thank you.

The SPEAKER. The Chair recognizes the gentleman from Allegheny, Mr. Grabowski.

Mr. GRABOWSKI. Mr. Speaker, I would just like to point out that I raised my objections to the constitutionality, and since this House has ruled it is constitutional, I have no objections to the amendment. I just hope it does not result in a court case between the Commonwealth and the oil companies.

On the question recurring,
Will the House agree to the amendments?

The following roll call was recorded:

YEAS—134

Austin	George, C.	McKelvey	Salvatore
Barber	George, M. H.	McMonagle	Schmitt
Belardi	Gladeck	McVerry	Schweder
Bennett	Goebel	Mackowski	Serafini
Borski	Goodman	Manderino	Seventy
Brown	Grabowski	Manmiller	Shupnik
Caltagirone	Greenfield	Michlovic	Sieminski
Cappabianca	Gruppo	Micozzie	Smith, E. H.
Cessar	Harper	Milanovich	Smith, L. E.
Chess	Hasay	Miller	Spitz
Clark, B. D.	Hoeffel	Mrkonic	Stairs
Cochran	Hutchinson, A.	Mullen	Steighner
Cole	Hutchinson, W.	Murphy	Stewart
Cornell	Iris	Nahill	Street
Coslett	Itkin	Novak	Stuban
Cowell	Johnson, J. J.	O'Brien, B. F.	Sweet
DeMedio	Jones	O'Brien, D. M.	Taddonio
DeVerter	Kanuck	O'Donnell	Taylor, E. Z.
DeWeese	Klingaman	Oliver	Taylor, F.
Davies	Knepper	Perzel	Telek
Dawida	Knight	Petrarca	Trello
Dininni	Kolter	Piccola	Wachob
Dombrowski	Kowalshyn	Pievsky	Wargo
Dumas	Kukovich	Pistella	Wass
Durham	Lashingier	Pitts	White
Fee	Laughlin	Pott	Wilson
Fischer	Lehr	Pucciarelli	Wilt
Fisher	Letterman	Rappaport	Wright, D. R.
Fryer	Levi	Reed	Yahner
Gallagher	Levin	Rhodes	Zeller
Gallen	Lewis	Ritter	Zitterman
Gamble	Livengood	Rocks	Zord
Gatski	Lynch, E. R.	Rodgers	Zwinkl
Geesey	McCall		

NAYS—45

Anderson	DiCarlo	Helfrick	Scheaffer
Armstrong	Dietz	Honaman	Spencer
Arty	Dorr	Johnson, E. G.	Swift
Berson	Duffy	McClatchy	Thomas
Bittle	Foster, W. W.	Madigan	Vroon
Bowser	Foster, Jr., A.	Moehlmann	Wenger
Brandt	Freind	Mowery	Wright, Jr., J.
Burd	Gannon	Noye	Yohn
Burns	Geist	Peterson	
Cimini	Grieco	Polite	Seltzer,
Clark, M. R.	Halverson	Punt	Speaker
Cunningham	Hayes, Jr., S.	Ryan	

NOT VOTING—17

Alden	Gray	Pratt	Shadding
Beloff	Hayes, D. S.	Pyles	Sirianni
Cohen	McIntyre	Richardson	Weidner
Earley	Musto	Rieger	Williams
Giammarco			

The question was determined in the affirmative, and the amendments were agreed to.

On the question,

Will the House agree to the bill as amended on third consideration?

Mr. ITKIN offered the following amendments:

Amend Title, page 1, line 7, by inserting after "penalties,"" defining "medical care provider,"

Amend Sec. 1, page 1, lines 12 and 13, by striking out "Clause (h) of section 303, sections 402, 501, 806, 904 and clause (d) of section 905," and inserting Section 201,

Amend Sec. 1, page 1, lines 15 and 16, by striking out "are amended and a clause is added to section 303" and inserting is amended by adding a clause

Amend Bill, page 1, by inserting between lines 16 and 17

Section 201. Unless the context or subject matter otherwise requires, the definitions given in this article govern the construction of this act.

(17) "Medical care provider" means any licensed physician, whether practicing privately or as part of a group medical practice, clinic, hospital, intermediate care facility or skilled nursing care facility, which provides medical services or sells drugs, devices or equipment. Any staff member of a physician, group medical practice, clinic, hospital, intermediate care facility, or skilled nursing care facility which provides medical services or sells drugs, devices or equipment.

Section 2. Clause (h) of section 303, sections 402, 501, 806, 904 and clause (d) of section 905 of the act are amended and a clause is added to section 303 to read:

Amend Sec. 1 (Sec. 501), page 3, line 19, by striking out "total and inserting equivalent

Amend Sec. 1 (Sec. 501), page 3, by inserting between lines 26 and 27 (c) Fifteen percent (15%) simple interest per annum on that part of the balance if the seller is a medical care provider.

Amend Sec. 1 (Sec. 904), page 5, by inserting between lines 4 and 5 (c) On the outstanding balance, one and one-quarter percent (1 1/4%) if the seller is a medical care provider.

Amend Sec. 2, page 7, line 8, by striking out "2" and inserting 3

Amend Sec. 3, page 7, line 26, by striking out "3" and inserting 4

On the question,

Will the House agree to the amendments?

The SPEAKER. The Chair recognizes the gentleman from Allegheny, Mr. Itkin.

Mr. ITKIN. Mr. Speaker, this amendment is similar to the preceding one. This amendment defines "medical care provider," and those that come under that definition of medical care provider would also be excluded from the benefits of this legislation, and if they should provide their services on credit, they would be restricted to the 15 percent that is current law. I do not think that this General Assembly wants to support a piece of legislation that is going to increase health-care costs through a device like HB 538. If this amendment is adopted, then those people who provide medical services on credit will not be able to charge the higher rate. I urge support of this amendment.

On the question recurring,

Will the House agree to the amendments?

The following roll call was recorded:

YEAS—145

Anderson	Gannon	Lynch, E. R.	Salvatore
Austin	Gatski	McCall	Schmitt
Barber	Geesey	McClatchy	Seventy
Bennett	Geist	McKelvey	Shupnik
Berson	George, C.	McMonagle	Sieminski
Bittle	George, M. H.	Mackowski	Smith, E. H.
Borski	Gladeck	Madigan	Smith, L. E.
Brown	Goebel	Manderino	Spitz
Burns	Goodman	Manmiller	Stairs
Caltagirone	Grabowski	Michlovic	Steighner
Cappabianca	Greenfield	Micozzie	Stewart
Cessar	Grieco	Milanovich	Street
Chess	Gruppo	Miller	Stuban
Cimini	Harper	Mrkonic	Sweet
Clark, B. D.	Hasay	Mullen	Taddonio
Clark, M. R.	Hayes, Jr., S.	Murphy	Taylor, E. Z.
Cochran	Hoeffel	Novak	Taylor, F.
Cole	Honaman	O'Brien, B. F.	Telek
Coslett	Hutchinson, A.	O'Brien, D. M.	Trello
Cowell	Hutchinson, W.	O'Donnell	Wachob
DeMedio	Irvic	Oliver	Wargo
DeVertter	Itkin	Perzel	Wass
DeWeese	Johnson, J. J.	Petrarca	White
Davies	Jones	Piccola	Wilson
Dawida	Klingaman	Pievsky	Wilt
Dietz	Knepper	Pistella	Wright, D. R.
Dininni	Knight	Pitts	Wright, Jr., J.
Dombrowski	Kolter	Pott	Yahner
Dumas	Kowalshyn	Pucciarelli	Yohn
Durham	Kukovich	Punt	Zeller
Fee	Lashinger	Rappaport	Zitterman
Fischer	Laughlin	Reed	Zord
Fisher	Lehr	Rhodes	Zwinkl
Fryer	Letterman	Rieger	
Gallagher	Levi	Ritter	Seltzer,
Gallen	Levin	Rocks	Speaker
Gamble	Livengood	Rodgers	

NAYS—36

Armstrong	Dorr	Lewis	Ryan
Arty	Duffy	McVerry	Scheaffer
Belardi	Foster, W. W.	Moehlmann	Serafini
Bowser	Foster, Jr., A.	Mowery	Sirianni
Brandt	Freind	Nahill	Spencer
Burd	Halverson	Noye	Swift
Cornell	Helfrick	Peterson	Thomas
Cunningham	Johnson, E. G.	Polite	Vroon
DiCarlo	Kanuck	Pyles	Wenger

NOT VOTING—15

Alden	Giammarco	Musto	Shadding
Beloff	Gray	Pratt	Weidner
Cohen	Hayes, D. S.	Richardson	Williams
Earley	McIntyre	Schweder	

The question was determined in the affirmative, and the amendments were agreed to.

On the question recurring,

Will the House agree to the bill as amended on third consideration?

Mr. ITKIN offered the following amendments:

Amend Sec. 1, page 1, line 12, by removing the comma after "402" and inserting and

Amend Sec. 1, page 1, line 13, by striking out "806, 904 and clause (d) of section 905,"

Amend Bill, page 4, by inserting between lines 18 and 19

Section 2. The act is amended by adding a section to read:

Section 501.1. (1) A seller may, in a retail installment contract, contract for and, if so contracted for, the holder

thereof may charge, receive and collect a service charge measured for the period between the date of such contract and the due date of the last installment and calculated for that period according to the actuarial method of computation or by application of the United States Rule at a rate which does not exceed fifteen percent (15%) simple interest per annum on the unpaid balances of the amount financed.

(2) Subject to the classifications and differentiations that the seller or holder may reasonably establish, the seller or holder may make the same service charge on all amounts financed within a specified range. A service charge so made does not violate subsection (1) if:

(a) when applied to the median amount within each range it does not exceed the maximum permitted by subsection (1); and

(b) when applied to the lowest amount within each range it does not produce a rate of service charge exceeding the rate calculated according to subsection (1) by more than eight percent (8%) of that rate.

(3) A minimum service charge of seventy cents (70¢) per month may be made for each month if the service charge so computed is less than that amount; such minimum service charge may be imposed for a minimum period of six months.

(4) No seller or holder shall divide or otherwise encourage the buyer to become obligated at the same time on more than one transaction for the purpose of obtaining a higher rate of service charge than would otherwise be permitted under this act. Multiple agreements which arise out of substantially the same transaction shall be presumed to be in violation of this section.

Section 3. Sections 806 and 904 of the act are amended to read:

Amend Bill, page 6, by inserting between lines 26 and 27

Section 4. The act is amended by adding a section to read:

Section 904.1. (1) Subject to the other provisions of this article the seller or holder of a retail installment account may charge, receive and collect the service charge authorized by this act. The service charge shall not exceed the following rate computed on the outstanding balances from month to month, one and one-quarter percent (1 1/4%) per month on the outstanding balances.

(2) A minimum service charge of seventy cents (70¢) per month may be made for each month if the service charge so computed is less than that amount; such minimum service charge may be imposed for a minimum period of six months.

(3) For purposes of computing service charges under subsection (1), the service charge shall be deemed not in excess of that permitted by this section if it is no greater than an amount determined by applying the applicable rate to the greatest of:

(a) the average daily balance of the account; or

(b) the unpaid balance of the account on the last day of the billing cycle calculated after first deducting all payments, credits and refunds during the billing cycle; or

(c) the median amount within a specified range within which the unpaid balance as calculated according to clauses (a) or (b) is included. A charge may be made pursuant to this clause only if the seller or holder, subject to classifications and differentiations he may reasonably establish, makes the same charge on all balances within the specified range and if the percentage when applied to the median amount within the range does not exceed the charge resulting from applying that percentage to the lowest amount within the range by more than eight percent (8%) of the charge on the median amount.

(d) (i) The "average daily balance" shall mean the sum of the amounts unpaid each day during the billing period, divided by the number of days during the billing period. The amount unpaid on a day is determined by adding to the balance, if any, outstanding as of the beginning of that day all purchases

and other debits and deducting all payments received and other credits issued by the seller or holder as of that day. The term "billing period" shall mean the time interval covered by a periodic billing statement pursuant to section 905.

(ii) A billing period is considered to be "monthly" if the last day of each billing period is on the same date of each month or does not vary by more than four (4) days therefrom.

(iii) If the billing cycle is not monthly, the maximum periodic rates are those percentages which bear the same relation to the percentages specified in subsection (1) as the number of days in the billing cycle bears to thirty (30).

(4) No seller or holder shall divide or otherwise encourage the buyer to become obligated at the same time on more than one transaction for the purpose of obtaining a higher rate of service charge than would otherwise be permitted under this act. Multiple agreements which arise out of substantially the same transaction shall be presumed to be in violation of this section.

Section 5. Clause (d) of section 905 of the act is amended to read:

Amend Sec. 2, page 7, line 8, by striking out "2" and inserting 6

Amend Bill, page 7, by inserting between lines 25 and 26 Section 7. Sections 501 and 904 of the act are repealed.

Amend Sec. 3, page 7, line 26, by striking out "3" and inserting 8

Amend Sec. 3, page 7, line 29, by striking out "SUBSECTION (B)." and inserting subsections (b) and (d).

Amend Sec. 3, page 9, by inserting after line 2 (d) Section 7 of this amendatory act shall take effect four years after the effective date of this act. (e) The provisions of sections 501.1 and 904.1 of the act shall take effect four years after the effective date of this act.

On the question,

Will the House agree to the amendments?

The SPEAKER. The Chair recognizes the gentleman from Allegheny, Mr. Itkin.

Mr. ITKIN. Mr. Speaker, I am going to support HB 538 on final passage unless amendments are adopted which I cannot support. I am doing that because I recognize that the tightness of the money market is such that a bill like this is necessary to provide relief. I recognize also that this is something that is going to hurt the public, but on balance I feel that sometimes we have to act in the public's interest in a responsible fashion, and I am going to support the bill. However, what exists today in terms of the interest rates charged and the problems faced with the prime rate and the Federal discount rate may not be the situation that exists several years down the road, and I would not want to do anything that would put the people of Pennsylvania in a position of paying far much more for money than is absolutely necessary.

What this amendment does is put a repealer in in 4 years, that after this goes into effect, 4 years from the effective date, the features of this bill will revert to current law, which is now 15 percent, unless at that time the General Assembly in its wisdom chooses to do otherwise. I think this is a fair balance. I recognize the need today for doing this, but I do not know what the situation is going to be several years down the road. Therefore, I feel that we ought to adopt this amendment and cause us to make that decision 4 years from the date of its passage. Mr. Speaker, I urge adoption of this amendment.

The SPEAKER. The Chair recognizes the gentleman from Jefferson, Mr. Smith.

Mr. L. E. SMITH. Mr. Speaker, briefly, I do not see the need for this amendment. Anytime the General Assembly wishes to act on this subject, it is wide open to them, and I do not believe the amendment is necessary at all.

The SPEAKER. The Chair recognizes the gentleman from Lehigh, Mr. Zeller.

Mr. ZELLER. Mr. Speaker, I disagree with my good friend and colleague, Mr. Smith, for the following reasons: Four years from now there could be an altogether, absolutely new General Assembly in here, members of the House of Representatives. It could be wiped out with a whole new group in here who would never see the light of day of what took place here and they would not know what the arguments were or anything if left to be the way Brother Smith wants it. We have to have this to be triggered in. This has got to be triggered and be brought to their attention. Otherwise it is all forgotten. We can forget sometimes from month to month what happened the past month, and that is why it is very important.

Now I have had a resolution in for some time—just lightly on that; I am not wandering away from the issue—but I had a resolution in asking for the President to inform Mr. Volcker of the Federal Reserve Bank to lower these rates, come down with these rates. We have done everything humanly possible. I cannot even get the resolution out of committee, not even to be talked about. Therefore, we have got to go some route.

I can support HB 538, which I have been voting against, with this in it, with this 4-year cap, a chance to go back and review it. If it is not in there, I do not know whether really I can support it for some of the other reasons in the bill. That has got to be assessed. But I feel this is a way that we can tell our people we are going to give it a chance, because we have tried other methods and they are not moving, the Federal people are just not moving. So, therefore, we find the small businessmen—I am not concerned about the big conglomerates who have the capital probably to be able to back up their credit—but the little guys in these stores out there are being swallowed up. And again, it is just like the little independent gas station dealers. We have got these people out there being swallowed up, and they cannot stand the gaff of the rates. I, mean there is not that much difference that they can make any money on it, borrowing the money and what they have to sell the merchandise for. So I think what we have to do is allow HB 538 to go right now with a limit to it of 4 years, and then that General Assembly, whoever they may be—God bless them—is going to have to look it over again at that time and assess it. But if we go Mr. Smith's route, I believe it will be lost in the sauce and it will never be brought up again unless some good member down here is going to say, let us get on it, and I believe this is going to be a way of reminding them. So that is why I back it. Thank you.

REMARKS ON VOTE

The SPEAKER. The Chair recognizes the gentleman from Delaware, Mr. Gannon.

Mr. GANNON. Mr. Speaker, on the Itkin amendment No. A4425 to HB538, I inadvertently voted in the negative. I would like to be recorded in the affirmative. Thank you.

The SPEAKER. The gentleman's remarks will be spread upon the record.

CONSIDERATION OF HB 538 CONTINUED

The SPEAKER. The Chair recognizes the gentleman from Allegheny, Mr. Cowell.

Mr. COWELL. Mr. Speaker, I urge that we also adopt this amendment which has been offered by Mr. Itkin.

One of the major arguments that has been made for the past several months on behalf of HB 538 is that we are in an unusual period of history when the cost of money to retailers, to our local banks, to anybody who seeks large sums of dollars is unusually high, and certainly the facts indicate that that is true if we look back only several years. We do not know what the future holds in terms of the cost of money. I think it is only appropriate and it is fair that we adopt the Itkin amendment which would set a limit of 4 years on this higher interest rate that is proposed in HB 538. If we do not impose this "sunset" provision, we are probably going to do nothing 4, 5, 6 years from now. Once we adopt higher taxes, once we adopt higher interest rates, it is most unusual for this body or any body of government to go back and effect reductions. It probably would not happen. If we do not adopt the Itkin amendment, 3, 4, 5 years from now, when perhaps the situation will change in the financial community, when perhaps the cost of money will not be as great as it is today, the burden would be on consumers to come to this legislature and persuade us to reduce the cost of interest. And probably, because we would be bogged down with a number of other issues, that would not hold great priority and probably we would not listen very carefully and probably we would do nothing and the higher rates would prevail. I think it is more fair that we put the burden on the proponents of the higher interest rates and ultimately put the burden on this legislature to reconsider this issue once again 4 years from now and 4 years from now make a fresh determination of whether or not the higher interest rates are justified.

I think that we ought to adopt the Itkin amendment. I think it would make this bill much more palatable, much more fair, and recognize that, yes, indeed, perhaps we have unusual circumstances today, but recognize that those circumstances may well change 4 years from now and another decision might be mandated 4 years from now. I urge that we adopt the Itkin amendment.

The SPEAKER. The Chair recognizes the gentleman from Allegheny, Mr. Pott.

Mr. POTT. I have more faith in this General Assembly and my colleagues to recognize severe market conditions than my colleague from Allegheny County, Mr. Cowell. I

have faith in you that if the interest rates are substantially reduced during the next year or 2 years or 3 years or 4 years, that you in your wisdom will want to review this legislation that permits a 3-year phasein of higher interest rates. I believe that if the market conditions demand it, you and your constituents will demand that this act be amended to reduce the interest rates.

A "sunset" provision in this legislation is really unnecessary. Anytime any of you can introduce a bill—any of us can introduce a bill—to negate the actions that I hope we take here today; anytime this General Assembly can review the actions that we are taking and propose to reduce those interest rates. As presently drafted, this bill contains a 3-year phasein. As soon as we get the bill on line, we are saying, then we have got to review the effects of it. I do not think that in 4 years we will have enough data, we will have enough experience to have anything substantive to review. I think that the market conditions of the interest rates will be the ultimate dictating factor on whether this legislation is good or is bad. I therefore urge you to vote against the Itkin amendment. Thank you.

The SPEAKER. The Chair recognizes the gentleman from Allegheny, Mr. Itkin.

Mr. ITKIN. Mr. Speaker, the fears that Mr. Cowell has raised are real. For example: In my entire history in this General Assembly, I can recall when I first came here the prime was about 6 percent and yet the retail credit interest cap was 15 percent. Now when the prime is at 12 percent or going up to 15 percent, the retail community is satisfied with 18 percent. They are not asking for 24 percent.

So what I am suggesting to you, in those times when the prime was around 6 percent, the retail credit operators were still charging the maximum provided under law, 15 percent, and there was no hue and cry in this General Assembly to reduce that maximum rate. Since it was law, people generally left it alone. That is the fear I have, too, that once we adopt this law, unless we put in this "sunset" provision, it will never change even though there would be a significant drop in the prime rate which would justify a decrease. That is why this amendment is so important to this piece of legislation. Thank you.

The SPEAKER. The Chair recognizes the gentleman from Lehigh, Mr. Zeller.

Mr. ZELLER. Briefly, Mr. Speaker, we have a bill, HB 1, and some of these speakers I have heard who are supporting it talk about putting a spending limit on local government. Now I happen to be a cosponsor of that and I agree, and I think that same theory holds true in regard to what we are trying to say in regard to just a cap to review a process, to review it. Now these same people are going to talk one way, that we have got to put it on local government; we are going to put a cap on them; we have got to review them. Then why does not the same theory hold true for others just for 4 years? I cannot believe their thinking. So it is one day one way and another day the next, as my good friend over here said in regard to a vote yesterday. But you have to tell it before you take the vote. Then you know where you stand. Thank you.

On the question recurring,
Will the House agree to the amendments?

The following roll call was recorded:

YEAS—128

Anderson	Fischer	Laughlin	Rodgers
Armstrong	Fryer	Lehr	Schmitt
Austin	Gallagher	Letterman	Schweder
Barber	Gallen	Levi	Serafini
Belardi	Gamble	Levin	Seventy
Bennett	Gatski	Livengood	Shupnik
Berson	George, C.	McCall	Sieminski
Borski	George, M. H.	McMonagle	Sirianni
Brown	Gladeck	Mackowski	Stairs
Burns	Goebel	Manderino	Steighner
Caltagirone	Goodman	Manmiller	Stewart
Cappabianca	Grabowski	Michlovic	Street
Cessar	Greenfield	Milanovich	Stuban
Chess	Grieco	Mrkonic	Sweet
Cimini	Gruppo	Mullen	Taddonio
Clark, B. D.	Harper	Murphy	Taylor, F.
Clark, M. R.	Hasay	Nahill	Telek
Cochran	Helfrick	Novak	Thomas
Cole	Hoeffel	Noye	Trello
Cornell	Honaman	O'Brien, B. F.	Wachob
Cowell	Hutchinson, A.	O'Donnell	Wargo
Cunningham	Irvis	Oliver	Wass
DeMedio	Itkin	Petrarca	White
DeWeese	Johnson, J. J.	Piccola	Wilson
DiCarlo	Jones	Pievsky	Wilt
Davies	Kanuck	Pistella	Wright, D. R.
Dawida	Klingaman	Pucciarelli	Wright, Jr., J.
Dombrowski	Knight	Rappaport	Yahner
Duffy	Kolter	Reed	Zeller
Dumas	Kowalyshyn	Rhodes	Zitterman
Durham	Kukovich	Rieger	Zord
Fee	Lashinger	Ritter	Zwinkl

NAYS—54

Arty	Freind	Micozzie	Salvatore
Bittle	Gannon	Miller	Scheaffer
Bowser	Geesey	Moehlmann	Smith, E. H.
Brandt	Geist	Mowery	Smith, L. E.
Burd	Halverson	O'Brien, D. M.	Spencer
Coslett	Hayes, Jr., S.	Perzel	Spitz
DeVerter	Hutchinson, W.	Peterson	Swift
Dietz	Johnson, E. G.	Pitts	Taylor, E. Z.
Dininni	Knepper	Polite	Vroon
Dorr	Lewis	Pott	Wenger
Earley	Lynch, E. R.	Punt	Yohn
Fisher	McKelvey	Pyles	
Foster, W. W.	McVerry	Rocks	Seltzer,
Foster, Jr., A.	Madigan	Ryan	Speaker

NOT VOTING—14

Alden	Gray	Musto	Shadding
Beloff	Hayes, D. S.	Pratt	Weidner
Cohen	McClatchy	Richardson	Williams
Giammarco	McIntyre		

The question was determined in the affirmative, and the amendments were agreed to.

AMENDMENTS TEMPORARILY WITHDRAWN

The SPEAKER. The Chair recognizes the gentleman from Allegheny, Mr. Chess, who offers the following amendments which will be read by the clerk.

Mr. CHESSE. Mr. Speaker, I yield to Mr. Zitterman.

The SPEAKER. Is the gentleman, Mr. Chess, indicating that he is not going to offer any amendments?

Mr. CHESSE. I will temporarily withdraw them.
The SPEAKER. The Chair thanks the gentleman.

REPUBLICAN CAUCUS

The SPEAKER. The Chair recognizes the majority leader.

Mr. RYAN. Mr. Speaker, I am going to suggest that we recess now until 1:45. There will be an immediate Republican caucus on SB 188. I do not believe this is a difficult bill, but we do intend to vote it when we return. If you are interested in what it says, come to caucus now. If you understand what it provides, then go ahead and have lunch and be back on the floor at 1:45. Thank you, Mr. Speaker.

DEMOCRATIC CAUCUS

The SPEAKER. The Chair recognizes the minority leader.

Mr. IRVIS. Concurrently, the Democrats will meet in caucus immediately, the purpose being to caucus on SB 188, which will be called up for final passage this afternoon. Thank you, Mr. Speaker.

RECESS

The SPEAKER. Without objection, this House now stands in recess until 1:45. The Chair hears none.

AFTER RECESS

The hour of recess having expired, the House was called to order.

CALENDAR

BILLS ON THIRD CONSIDERATION

The House proceeded to third consideration of **HB2044, PN 2583**, entitled:

An Act amending the "Public Welfare Code," approved June 13, 1967 (P. L. 31, No. 21), limiting general assistance to chronically needy persons and transitionally needy persons.

On the question,
Will the House agree to the bill on third consideration?

HB 2044 TABLED

The SPEAKER. The Chair recognizes the majority leader.

Mr. RYAN. Mr. Speaker, I move that HB 2044 be placed on the table.

On the question,
Will the House agree to the motion?
Motion was agreed to.

The House proceeded to third consideration of **HB 1716, PN 2655**, entitled:

An Act amending the "Public School Code of 1949," approved March 10, 1949 (P. L. 30, No. 14), removing certain incompatible offices.

On the question,
Will the House agree to the bill on third consideration?

HB 1716 RECOMMITTED

The SPEAKER. The Chair recognizes the majority leader.

Mr. RYAN. Mr. Speaker, I move that HB 1716 be recommitted to the Committee on Education.

On the question,
Will the House agree to the motion?
Motion was agreed to.

HB 2044 REMOVED FROM TABLE

The SPEAKER. The Chair recognizes the majority leader.

Mr. RYAN. Mr. Speaker, I move that HB 2044 be taken from the table.

On the question,
Will the House agree to the motion?
Motion was agreed to.

REMARKS ON VOTE

The SPEAKER. The Chair recognizes the lady from Montgomery, Mrs. Lewis.

Mrs. LEWIS. Mr. Speaker, I was recorded in the affirmative on amendment A4425 to HB 538. I would like to be recorded in the negative.

The SPEAKER. The lady's remarks will be spread upon the record.

CONSIDERATION OF HB 538 RESUMED

On the question recurring,
Will the House agree to the bill as amended on third consideration?

Mr. ZITTERMANN offered the following amendments:

Amend Sec. 1 (Sec. 501) page 3, lines 21 through 23, by striking out all of said lines and inserting

(a) On that part of the unpaid balances of the amount financed which is five hundred dollars (\$500) or less, the simple interest rate per annum calculated as follows: the New York Federal Reserve Bank Discount Rate as of the fifteenth day of October immediately preceding the date of purchase, plus five percent (5%): Provided, That the rate shall not be less than fifteen percent (15%) nor greater than eighteen percent (18%).

Amend Sec. 1 (Sec. 904), page 4, line 25, by removing the period after "act" and inserting which shall include the right to charge, receive and collect the variable service charge rate authorized under this section when properly contracted with the buyer, which variable rate may be applied to the first five hundred dollars (\$500) of the unpaid balance of the account, excluding purchases made before the effective date of this amendatory act.

Amend Sec. 1 (Sec. 904), page 4, lines 29 and 30; page 5, line 1, by striking out both of said lines on page 4 and all of line 1, page 5 and inserting

(a) On that part of the outstanding balances which is five hundred dollars (\$500) or less, the equivalent of the simple interest rate per annum calculated as follows: the New York

Federal Reserve Bank Discount Rate as of the fifteenth day of October immediately preceding the billing period, plus five percent (5%): Provided, That the rate shall not be less than fifteen percent (15%) nor greater than eighteen percent (18%).

Amend Sec. 2 (Sec. 912), page 7, line 22, by inserting after "notice."

However, any such seller or holder shall not be required to send such notices of change in terms for changes in any variable service charge rate authorized under section 904(1) if the seller or holder previously provided the buyer with proper notice under this section before converting the account to a variable service charge rate.

Amend Sec. 3, page 7, lines 26 through 30; page 8, lines 1 through 30; page 9, lines 1 and 2, by striking out all of said lines on said pages and inserting Section 3. This act shall take effect on January 1, 1981.

On the question,
Will the House agree to the amendments?

The SPEAKER. The Chair recognizes the gentleman from Lackawanna, Mr. Zitterman.

Mr. ZITTERMANN. Mr. Speaker, would you like me to perform before an empty House?

The SPEAKER. Your peers have spoken.

If the gentleman speaks long enough and eloquently enough, the gentleman will draw a full House.

Mr. ZITTERMANN. I thought it was always the duty of the Speaker, Mr. Speaker, to get a full House.

However, Mr. Speaker, HB 538 as presently written would allow the ceiling to escalate to 18 percent over a period of 2 years and permanently fix it at that high level at the end of that 2-year period. The amendment which I offer, A5120, would let the interest-rate ceiling on retail credit fluctuate from year to year according to the changes in the New York Federal Reserve Bank discount rate and keep this bill within a range of 15 to 18 percent.

Mr. Speaker, one of the previous speakers on the House floor indicated in prior conversations that it was necessary for this House to prepare legislation that would be adapted and latched onto some sort of money indicator so that when the interest rates rise, the rates of interest would rise; however when the interest rates fall, in an effort to help the consumer, the interest rates would fall.

This amendment, Mr. Speaker, is attached to the New York Federal discount rate as of October 15, 1980. Should this amendment pass, we would add 5 percent to the New York discount rate at that time, and that would be the current rate that would take effect on January 1, 1981.

This flexible ceiling, Mr. Speaker, would be easy to administer because it allows the creditors to apply one maximum rate to all credit purchases regardless of when the purchase was made. The maximum rate would remain in effect for a full calendar year and would be calculated as of October 15 of each year and then implemented on the first day of January.

For a single installment sale contract, such as a contract to buy a dining room on credit, the interest rate in effect at the time of the purchase would apply to the entire period, because naturally we realize that the fixed rate on an installment contract remains over that period of time.

Mr. Speaker, the conversations on the House floor indicate a need for this type of legislation. Since March 9, 1979, this bill being debated indicated that people talked about the prime rate and the rising rates and the consumer. This bill does that. When the rates are high, the interest rates on the installment rates can go up to a maximum of 18 percent. However, in an effort to help the consumer, when the rates go down, the interest rates will go down to a minimum of 15 percent. I am asking for an affirmative vote, Mr. Speaker. Thank you.

The SPEAKER. The Chair recognizes the gentleman from Jefferson, Mr. Smith.

Mr. L. E. SMITH. Mr. Speaker, I rise in opposition to this amendment. I am not so much concerned with large retailers and bankers on bank credit cards as far as the administration of this amendment, but I can tell you for the thousands of small retailers across Pennsylvania this would become a nightmare.

Assume a small retailer who had 800 to 1,000 credit accounts was to encounter a rate increase as of the 15th of October. He would have to notify 30 days in advance all of his customers that the rate was going up. He is compelled to do that under Federal truth in lending. So if his billing period would end on the 25th or the 1st of the month, this means that he has to physically go through every one of his accounts to determine first of all whether the notice has to be sent, and he has to send a special notice. We all know that the discount rate has been changing over the past few years. So in all probability we would be putting that small retailer who cannot afford a computer through that kind of hassle which just increases his cost of doing credit business, and we are looking for relief for these people, not additional costs to them. I would ask the members to oppose this amendment.

The SPEAKER. The Chair recognizes the gentleman from Lackawanna, Mr. Zitterman.

Mr. ZITTERMAN. Mr. Speaker, would the gentleman, Mr. Smith, stand for interrogation, please?

Mr. L. E. SMITH. Yes.

The SPEAKER. The gentleman, Mr. Zitterman, may interrogate Mr. Smith.

Mr. ZITTERMAN. Mr. Speaker, under HB 538, now do not the provisions of this bill indicate that upon passage of the bill as currently written, the rate will increase from 15 to 16 percent?

Mr. L. E. SMITH. Yes.

Mr. ZITTERMAN. And the following year it will increase to 17 percent and the following year to 18 percent?

Mr. L. E. SMITH. Right.

Mr. ZITTERMAN. What, Mr. Speaker, will the small retailer do in this event?

Mr. L. E. SMITH. He will notify his customers. But my point is that by making it on the 15th, you are going to cause those people undue burden in that they cannot use a statement stuffer for their next billing period. They would have to send out a separate notice.

Mr. ZITTERMAN. Mr. Speaker, are you aware that the amendment is written saying that on October 15 of 1980 we would review the New York State discount rate and it will be upon that date's rating that we will determine our rate by adding 5 percent of that? The actual rate in itself, Mr. Speaker, will not take effect until January 1 of the following year, giving not only the mandatory 60 days' notice but also 15 days' leadway to send out the letters, Mr. Speaker. Are you aware of that?

Mr. L. E. SMITH. Yes.

Mr. ZITTERMAN. Thank you, Mr. Speaker.

Mr. Speaker, may I make a brief comment, please?

The SPEAKER. The gentleman is in order and may proceed.

Mr. ZITTERMAN. Mr. Speaker, this amendment does exactly what the sponsor of the bill indicates his bill would do, except this bill, Mr. Speaker, gives the consumer the advantage of the lower rates when the lower rates prevail, and it gives the retailer the opportunity to increase the rates when the higher rates prevail.

Mr. Speaker, this is a fair amendment. This is an amendment that is based on the money market at the present time. As far as the transformation of accounts and as far as the notification, it meets all the standards of the Truth in Lending Act, and it does exactly what HB 538 does now as far as the working mechanisms are concerned. It is done once a year, as HB 538 is written now. However, this amendment fluctuates depending on the cost of money throughout the United States. Thank you, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman from Jefferson, Mr. Smith.

Mr. L. E. SMITH. Mr. Speaker, I request permission to interrogate the gentleman.

The SPEAKER. The gentleman, Mr. Zitterman, indicates he will stand for interrogation. The gentleman, Mr. Smith, may proceed.

Mr. L. E. SMITH. Mr. Speaker, I have not checked the discount rate within the past couple of weeks, but I believe the last time I checked it was about 12 1/4.

Mr. ZITTERMAN. Twelve percent, Mr. Speaker.

Mr. L. E. SMITH. Let us just suppose that by October 15 the discount rate was to go to 13 percent. What then would be the permissible percentage that could be charged in Pennsylvania after that date?

Mr. ZITTERMAN. Mr. Speaker, if the discount rate as of October 15, as in your question, was 13 percent, the permissible rate to be charged as of January 1, 1981, would be 18 percent, 15 plus 3.

Mr. L. E. SMITH. So in effect what you are doing is destroying the phase in. You say this is a consumer amendment, but actually what you would be doing would be putting in a charge of 18 percent if the discount rate went to 13 percent. Right?

Mr. ZITTERMAN. To the contrary, Mr. Speaker. I am saying that if the cost of money goes up to 13 percent, it has been the opinion of this House in many conversations that if the discount rate should go up, then the rate to the

consumer should go up. I have agreed with that. I say that if the cost of money rises, then the cost to the consumer should rise. But I am saying that if the discount rate lowers, then the cost to the consumer should go down appropriately.

The SPEAKER. The Chair recognizes the gentleman from Venango, Mr. Peterson.

Mr. PETERSON. Would Mr. Zitterman stand for brief interrogation?

The SPEAKER. The gentleman, Mr. Zitterman, indicates that he will stand for interrogation. The gentleman, Mr. Peterson, may proceed.

Mr. PETERSON. Has your amendment been tried in any other state?

Mr. ZITTERMAN. No, sir, Mr. Speaker. This would probably be one of the model bills in the United States.

Mr. PETERSON. I will not debate that at the moment.

Mr. Speaker, if a consumer, whom I believe you are trying to protect, purchased \$2,000 worth of furniture in October and financed it at that furniture store and the following spring, in May, he again purchased \$1,000 worth of furniture, how does the furniture dealer bill that? How does he charge that interest?

Mr. ZITTERMAN. Sir, this is based on the first \$500 of the installment loan, and the correct procedure is that if a person buys \$500 worth of credit or \$1,000 worth on an installment loan on October 15 or thereafter and the rate at that time is 15 percent, then he is allowed to charge 15 percent on the first \$500 and 15 percent thereafter. Now his contract under the installment loan law states that he has a set contract which is for either 6, 12, 18, 24, or 30 months, and it is based the same way as the law is right now. If new furniture was purchased in January of the following year, his rate would be determined by the actual rate of interest that is allowable at that time, and there would be a new contract. Those are the same provisions that we have under the installment rate loan law right now.

Mr. PETERSON. So your small-town furniture dealer would have to on his statement list each type of purchase and when it was purchased and what the interest rate was, and it could be two or three different rates over a year's time. Is that correct?

Mr. ZITTERMAN. Not if it is on a revolving-type basis. If it is on a revolving-type basis, he would fall under the criteria of the amendment. If it was on a fixed-rate basis, he would be doing the same thing as he does under the fixed-rate contractual agreement right now. If someone goes in to buy a parlor suite today and 6 months later buys a bedroom set and then a refrigerator, he naturally has three contracts unless he renews these contracts. The provisions of this amendment do not change that.

Mr. PETERSON. Mr. Speaker, this amendment and several amendments to follow are going to be sold as consumer amendments. In my opinion, we have already hurt the consumer in Pennsylvania because we have not allowed this interest figure to increase, and I will try to explain why.

As the cost of doing credit has increased—and I think everyone here is aware of how the cost of credit and the cost of money has increased—I believe all companies that are good businessmen have become more and more selective, and many of the consumers who really need the credit, whom we are trying to look out for, have already been eliminated from the system. Credit cards are becoming harder and harder to get. To open a credit account you have to have better credit today than you did a year ago. I think that is a fact of life in the business community. To offer credit today is less profitable than it was in the past. So what we are doing in trying to protect the consumer, we are really hurting him, because by not letting this form of interest increase and by taking the excuse that we are protecting him, we have removed the right of credit from him. So I ask for the defeat of this amendment and several other amendments like it because they are not in the best interest of the consumers who really need credit. This amendment in particular is not in the best interest of our local furniture dealers or our local department stores.

I am not here to protect the big chains, but I am very concerned about the empty storefronts that I see in our downtowns that were once independent merchants who made those communities, and this is just another way that state government is making it more difficult for them to function, and in the end we are only going to have chains. We will no longer have independent businessmen. I believe this amendment would be a nightmare for the local furniture store, for the local department store, and I ask for this General Assembly to defeat it.

The SPEAKER. The Chair recognizes the gentleman from Allegheny, Mr. Chess.

Mr. CHESSE. I rise in support of this amendment.

For 2 years I worked as a consumer advocate for Allegheny County. Two years ago I came up and testified against any interest-rate increases in this area. We, at several times, did studies and found great discrepancies in the information revealed by the various department stores and the people offering or requesting interest rates.

I am supporting this amendment somewhat reluctantly because I do not think that any increase is justified at this time. But if you accept the fact or you accept the argument that the interest rates have gone up and that the retailers need some increase, this amendment solves most of your problems, for when interest is high, when the cost to them of interest of money is high, they will be able to get their return, and whenever interest rates go back down, so will what they will be getting go back down. If your local stores are hurting as badly as you say, how come none of them are offering cash discounts to cash customers?

If you believe that there is a need for help, support the Zitterman amendment. I will support the Zitterman amendment reluctantly, because I have come to believe that, yes, interest rates are very high; the businessman is in a crunch; they need some help, but I do not believe we should be giving them away the 18 percent which is in the original bill. Thank you.

The SPEAKER. The Chair recognizes the gentleman from Allegheny, Mr. Itkin.

Mr. ITKIN. Mr. Speaker, I will be brief.

Thirty states have examined floating rates for retail credit, and each one of them has rejected this type of proposal. Secondly and perhaps most importantly is that the Federal discount rate is not a true measure of the cost of money to retailers. It is in fact more correlated with the cost of long-term borrowing which is not the situation that we are faced with today.

The Federal discount rate is highly subjective to political forces. It is determined by a group of politicians who act to control the supply of money for long-term borrowers. It does not truly reflect what the cost may be to the retailer when he goes out into the marketplace to get dollars to run his credit operation.

I do not think this is a well-thought-out amendment, because I think it uses a very poor measure as what determines how much the retailer can charge for the credit he provides. I will oppose and vote against the Zitterman amendment.

The SPEAKER. The Chair recognizes the gentleman from Lackawanna, Mr. Zitterman.

Mr. ZITTERMAN. Mr. Speaker, in regard to the comments of the previous speaker, he may be correct in assuming that 30 states have attempted to install this type of program. I recall back in 1972 when a gentleman named Paul Smith from Wharton College wrote a thesis—and if I am not mistaken, for this House of Representatives—regarding a House bill that was probably HB 1092 and said that HB 1092 as presented was not feasible, the same as the other 29 states when they wrote their opinion, the latest in Arkansas in 1979. However, Dr. Smith did say that the bills in most states as originally written were not feasible because they were not tied into a rate such as the Federal discount rate, and as my colleague, Mr. Itkin, said, it is a political reserve board. This rate is increased or decreased because of the need for money and the need to control inflation, and many people thought that we should use the prime interest rate, but the prime interest rate is a rate that is levied by private industry, by banking, by private individuals, and private interests.

Mr. Speaker, this amendment makes it more simple for retailers, because under the current bill, HB 538, which states that the interest rate will go up to 16 percent, what happens to the retailer who has to now notify his people that he is going to have two accounts instead of one? The current statute in the Federal Trade Commission, section 5, states that you are not allowed to raise the rates on installment contracts and revolving-type credits that are currently on the books. Therefore, the retailer in the small furniture store must set up two accounts for the individual. What happens when the rate goes to 17 percent? Does he have to make it three accounts? And 18, four accounts? If he is going to comply with the Federal Trade Commission, he is going to have to do that. This amendment sets a proviso. It says that the new contract that is going to be written will

indicate, under both the truth in lending and the Federal Trade Commission laws, that this is a variable rate installment contract.

Mr. Speaker, this bill and the amendment qualify for both retailers and consumers. It is not a consumer bill; it is also a retail bill. All we would need under this amendment was to attach a special disclosure on the new contract advising the customer, the consumer, that this is subject to an increase or a decrease based on the New York Reserve discount rate. Mr. Speaker, I again reiterate, this is not a consumer amendment or a retailer amendment. Thank you, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman from Mifflin, Mr. DeVerter.

Mr. DeVERTER. Briefly, I would like if the members would for an instant just clear all the smoke and all the cloud and all the confusion over the New York Federal Reserve Bank's discount rate, the prime interest rate, all the technicalities that go into the money market. What we are talking about here today is keeping business somewhat viable. Let me give you a brief for-instance.

This past weekend I had a small retailer call me. He said, "Walt, can you help?" He said, "I've got a large accounts receivable which I'm trying to extend credit to people, but it's becoming more and more difficult. I'm having a cash-flow problem." I said, "Well, aren't they paying you?" He said, "Well, it's hard times and it's difficult for people to pay." He said, "I need cash, and I went to the bank that I've been doing business with for 15 years to see if I could get some cash until I can force some receivables in, and it's going to cost me 16 percent." Now with him putting receivables out at 15 percent and having to pay 16 percent plus the overhead and the cost of the administration, it just makes no sense to me that we should be getting all tied up and haggling over all this what I consider smoke to cloud an issue to make somebody look consumer oriented.

The consumer knows what he is doing when he goes in to purchase something on credit, and if he does not, as far as I am concerned, that is his fault. He has some responsibility to know what kind of interest rate he is going to pay for at the time that he makes that purchase. The businessman also has a responsibility to inform him of that and is required to do so. But to continue to sit here today and haggle back and forth over how we are going to implement a piece of legislation that already calls for a phase-in period over 3 years just makes no sense to me, and I would ask for a negative vote on the amendment. Thank you.

The SPEAKER. The Chair recognizes the gentleman from Allegheny, Mr. Pott.

Mr. POTT. Will the gentleman, Mr. Zitterman, consent to interrogation?

The SPEAKER. The gentleman indicates that he will stand for interrogation, and the gentleman, Mr. Pott, may proceed.

Mr. POTT. Mr. Speaker, what was the simple interest rate calculated by the New York Federal Reserve Bank, the discount rate, on October 15, 1979?

Mr. ZITTERMAN. Twelve percent, Mr. Speaker.

Mr. POTT. If we would adopt your amendment, what would retail establishments be permitted to charge today had this act been in effect prior to October 15, 1979?

Mr. ZITTERMAN. Mr. Speaker, had this amendment passed prior to October 15, the rate that would be allowable to retailers as of this day, January 1, 1980, would be 17 percent, Mr. Speaker.

Mr. POTT. Should the act pass as drafted, what will the rate that retailers will be allowed to charge consumers be for the first year?

Mr. ZITTERMAN. Sixteen percent, Mr. Speaker.

Mr. POTT. Thank you very much.

Mr. Speaker, I think that interrogation points out why we should vote down the Zitterman amendment. You are actually charging consumers 1 percent more if the Zitterman amendment is adopted. Mr. Zitterman said we would be charging 17 percent today; the bill would only provide for 16 percent. I can see no greater reason to vote against the amendment. Thank you.

On the question recurring,

Will the House agree to the amendments?

The following roll call was recorded:

YEAS—59

Austin	Gatski	Manderino	Steighner
Belardi	George, C.	Michlovic	Street
Borski	Goodman	Milanovich	Stuban
Brown	Hoeffel	Mrkonic	Sweet
Caltagirone	Hutchinson, A.	Murphy	Taddonio
Cappabianca	Irvig	Novak	Taylor, F.
Chess	Johnson, J. J.	Petrarca	Telek
Clark, B. D.	Jones	Pistella	Trello
Cochran	Knight	Pucciarelli	Wachob
Cole	Kolter	Reed	Wargo
Dombrowski	Kowalshyn	Ritter	Wright, D. R.
Fee	Kukovich	Rodgers	Yahner
Fryer	Levin	Schweder	Zitterman
Gallagher	Livengood	Seventy	Zwilk
Gamble	McMonagle	Shupnik	

NAYS—118

Anderson	Fischer	Lewis	Rocks
Armstrong	Fisher	Lynch, E. R.	Ryan
Arty	Foster, W. W.	McClatchy	Salvatore
Barber	Foster, Jr., A.	McKelvey	Scheaffer
Bennett	Freind	McVerry	Schmitt
Berson	Gannon	Mackowski	Serafini
Bittle	Geesey	Madigan	Sieminski
Bowser	Geist	Manmiller	Sirianni
Brandt	George, M. H.	Micozzie	Smith, E. H.
Burd	Gladeck	Miller	Smith, L. E.
Burns	Goebel	Moehlmann	Spencer
Cessar	Grabowski	Mowery	Spitz
Cimini	Grieco	Mullen	Stairs
Clark, M. R.	Gruppo	Nahill	Stewart
Cornell	Halverson	Noye	Swift
Coslett	Hasay	O'Brien, B. F.	Taylor, E. Z.
Cowell	Hayes, Jr., S.	O'Brien, D. M.	Thomas
Cunningham	Helfrick	Oliver	Vroon
DeMedio	Honaman	Perzel	Wass
DeVertter	Hutchinson, W.	Peterson	Wenger
DiCarlo	Itkin	Piccola	White
Davies	Johnson, E. G.	Pievsky	Wilson
Dawida	Kanuck	Pitts	Wilt
Dietz	Klingaman	Polite	Wright, Jr., J.
Dininni	Knepper	Pott	Yohn
Dorr	Lashinger	Punt	Zeller
Duffy	Laughlin	Pyles	Zord

Dumas	Lehr	Rappaport	
Durham	Letterman	Rhodes	Seltzer,
Earley	Levi	Rieger	Speaker

NOT VOTING—19

Alden	Giammarco	McCall	Richardson
Beloff	Gray	McIntyre	Shadding
Cohen	Greenfield	Musto	Weidner
DeWeese	Harper	O'Donnell	Williams
Gallen	Hayes, D. S.	Pratt	

The question was determined in the negative, and the amendments were not agreed to.

On the question recurring,

Will the House agree to the bill as amended on third consideration?

Mr. CHESSE offered the following amendments:

Amend Sec. 1 (Sec. 501), page 3, line 21, by striking out "Eighteen percent (18%)" and inserting Sixteen percent (16%)

Amend Sec. 1 (Sec. 904), page 4, line 29, by striking out "One and one-half percent (1 1/2%)" and inserting One and one-third percent 1 1/3%

Amend Sec. 3, page 7, line 26, by striking out "(A)"

Amend. Sec. 3, page 7, line 28, by inserting a period after "ENACTMENT"

Amend Sec. 3, page 7, lines 28 through 30; page 8, lines 1 through 30; and page 9, lines 1 and 2, by striking out "AND SHALL BE APPLICABLE ON SUCH EFFECTIVE DATE EXCEPT" in line 28, all of lines 29 and 30, page 7; and all of lines 1 through 30, page 8, and lines 1 and 2, page 9

On the question,

Will the House agree to the amendments?

The SPEAKER. The Chair recognizes the gentleman from Allegheny, Mr. Chess.

Mr. CHESSE. Mr. Speaker, when I first got up here, I met with some of the new members from the other side, and their philosophy was that maybe government does too much and maybe the best government is a government that does not create a bunch of new legislation. Previously we heard that many other states have high interest rates. Maybe our best way is not to follow their lead. Maybe the best way is not to create a bunch of new legislation.

This amendment, rather than raising it to 18 percent, does give a 16-percent increase for the first year, and it stops there. Following on what one of the other Representatives said previously, if next year we find that the interest rates are still increasing and if there is a need at that time, we can then introduce another bill and raise it to 17 percent or 18 percent. I just believe that if you believe in this process, you do not create legislation that ties us into something several years down the line. I would request your support on this amendment to raise it to 16 percent this year and leave it there. Thank you.

The SPEAKER. The Chair recognizes the gentleman from Jefferson, Mr. Smith.

Mr. L. E. SMITH. Mr. Speaker, I rise in opposition to this amendment. We have already inserted a "Sunset" provision in this bill, I think, along with the fact that the legislature can act at any time if they see a trend developing in interest rates. So I would ask that this amendment be defeated.

On the question recurring,
Will the House agree to the amendments?

The following roll call was recorded:

YEAS—59

Austin	Gallagher	Livengood	Shupnik
Barber	Gamble	Manderino	Spitz
Bennett	Gatski	Michlovic	Stewart
Brown	George, C.	Milanovich	Street
Caltagirone	Goebel	Mrkonic	Stuban
Cappabianca	Grabowski	Novak	Sweet
Chess	Greenfield	O'Brien, B. F.	Taylor, F.
Clark, B. D.	Hoeffel	O'Donnell	Telek
Cochran	Irvig	Petrarca	Trello
Cole	Johnson, J. J.	Pistella	Wachob
Cowell	Jones	Pucciarelli	Wargo
Dawida	Knight	Reed	Yahner
Dombrowski	Kowalshyn	Ritter	Zitterman
Dumas	Kukovich	Rodgers	Zwilk
Fryer	Letterman	Seventy	

NAYS—118

Anderson	Foster, Jr., A.	McClatchy	Salvatore
Armstrong	Freind	McKelvey	Scheaffer
Arty	Gannon	McMonagle	Schmitt
Belardi	Geesey	McVerry	Schweder
Berson	Geist	Mackowski	Serafini
Bittle	George, M. H.	Madigan	Sieminski
Borski	Gladeck	Manmiller	Sirianni
Bowser	Goodman	Micozzie	Smith, E. H.
Brandt	Grieco	Miller	Smith, L. E.
Burd	Gruppo	Moehlmann	Spencer
Burns	Halverson	Mowery	Stairs
Cessar	Hasay	Murphy	Steighner
Cimini	Hayes, Jr., S.	Nahill	Swift
Clark, M. R.	Helfrick	Noye	Taddonio
Cornell	Honaman	O'Brien, D. M.	Taylor, E. Z.
Coslett	Hutchinson, W.	Oliver	Thomas
Cunningham	Itkin	Perzel	Vroon
DeMedio	Johnson, E. G.	Peterson	Wass
DeVerter	Kanuck	Piccola	Wenger
DiCarlo	Klingaman	Pievsky	White
Davies	Knepper	Pitts	Wilson
Dietz	Kolter	Polite	Wilt
Dininni	Lashinger	Pott	Wright, D. R.
Dorr	Laughlin	Punt	Wright, Jr., J.
Duffy	Lehr	Pyles	Yohn
Durham	Levi	Rappaport	Zeller
Earley	Levin	Rhodes	Zord
Fee	Lewis	Rieger	
Fisher	Lynch, E. R.	Rocks	Seltzer,
Foster, W. W.	McCall	Ryan	Speaker

NOT VOTING—19

Alden	Gallen	Hutchinson, A.	Richardson
Beloff	Giammarco	McIntyre	Shadding
Cohen	Gray	Mullen	Weidner
DeWeese	Harper	Musto	Williams
Fischer	Hayes, D. S.	Pratt	

The question was determined in the negative, and the amendments were not agreed to.

On the question recurring,

Will the House agree to the bill as amended on third consideration?

Mr. KUKOVICH offered the following amendments:

Amend Bill, page 7, by inserting between lines 7 and 8 Section 2. The heading of Article XI of the act is amended to read: ARTICLE XI CONFESSION OF JUDGMENT REPOSESSION AND RESALE

Amend Sec. 2, page 7, line 8, by striking out "2" and inserting 3

Amend Sec. 2, page 7, line 8, by striking out "a section" and inserting sections

Amend Bill, page 7, by inserting between lines 22 and 23

Section 1102. (a) As to any retail installment sale a plaintiff shall not have the right to levy, execute or garnish on the basis of any judgment or decree on confession, whether by amicable action or otherwise, or on a note, bond or other instrument in writing confessing judgment until plaintiff, utilizing such procedures as may be provided in the Pennsylvania Rules of Civil Procedure, files an appropriate action and proceeds to judgment or decree against defendant as in any original action. The judgment by confession shall be changed as may be appropriate by a judgment, order or decree entered by the court in the action. After the above mentioned original action has been prosecuted and a judgment obtained, that judgment shall merge with the confessed judgment and the confessed judgment shall be conformed as to amount and execution shall be had on the confessed judgment. The parties to the action shall have the same rights as parties to other original proceedings.

(b) Any debtor who prevails in any action to remove, suspend or enforce such a judgment entered by confession shall be entitled to recover reasonable attorney's fees and costs as determined by the court.

(c) Hereafter when any plaintiff has received payment in full for any judgment entered by confession he shall order the record in the proceeding marked satisfied within thirty (30) days of the receipt thereof, and shall not require any action on the part of the defendant or any payment by him to cover the cost of satisfying the judgment.

Amend Sec. 3, page 7, line 26, by striking out "3" and inserting 4

On the question,

Will the House agree to the amendments?

The SPEAKER. The Chair recognizes the gentleman from Westmoreland, Mr. Kukovich.

Mr. KUKOVICH. The purpose of this amendment is very simple. What it would do is abolish the current practice in the law that allows confession of judgment. It is a very outmoded procedure and an unfair one. Currently under this law a consumer is able to negotiate away the chance to have the action brought against them before judgment is entered. That might seem to be fair, but in reality the sellers have an unequal bargaining position and are able to take advantage of that position. By abolishing confession of judgment, it would force a creditor or seller who has not been paid properly to go into court and sue the way normally everyone else does. If they do not do that, if this amendment is not passed, then they can still go in to the prothonotary and file what is called an amicable action, for example, have a judgment entered against the consumer or a buyer of a product without having the burden of bringing forth testimony, showing what amounts are truly due, and not giving proper due recourse to the buyer. I would suggest that the time has come to abolish this outmoded concept, and I would appreciate your support.

The SPEAKER. The Chair recognizes the gentleman from York, Mr. Dorr.

Mr. DORR. Mr. Speaker, as I understand the amendment, it would in effect do away with the long-standing

practice in the financing of retail credit transactions in Pennsylvania called confession of judgment. There is a lot of controversy over the confession of judgment system, but the fact is that our total financing system in Pennsylvania, this as well as many other aspects of credit, is based on that simple procedure of confession of judgment.

The best estimates that I can get from my own county, for example, would indicate that approximately 365,000 judgments were filed in Pennsylvania last year. That is based on the number that were filed in York County. Of that, probably no more than 2 percent at the most was there any controversy about at all. The procedure that is used to argue against a confession of judgment is called a petition to open judgment, and there were less than 2 percent of petitions to open judgment as opposed to judgments filed in York County last year by the best estimate we can get. Most of those petitions to open judgment, I think all the lawyers here will agree, are basically delay tactics. They are done for the purpose of delaying the eventual payment or the levy on property that the sheriff might take otherwise. So, in fact, one might say that substantially less than 2 percent of judgments filed have any kind of controversy that might be attributed to a legitimate consumer complaint.

I just have to take the position, Mr. Speaker, that to destroy a long-standing and understood and well-entrenched financing system such as the confession of judgment system in Pennsylvania by chipping away at it in this bill as it would relate to retail credit is no way to go about that effort. If there is an effort made to do away with confession of judgment altogether, we can argue that in the context that perhaps would be more appropriate, but to start it in this particular bill is wrong. I think it is wrong altogether. I think the system inures to the benefit of the consumer eventually. You know, there is no free lunch, and if you do away with an easy system and a system that is well understood by everyone, what inevitably results is some degree of chaos, and the cost of that chaos is ultimately imposed on the consumer, and that goes in Pennsylvania as well as everywhere else. Therefore, in order to preserve the consumer's interest in a well-understood and well-entrenched financing system, I recommend that we defeat this amendment.

The SPEAKER. The Chair recognizes the gentleman from Philadelphia, Mr. Rappaport.

Mr. RAPPAPORT. Would the gentleman, Mr. Kukovich, consent to interrogation?

The SPEAKER. The gentleman, Mr. Kukovich, indicates that he will, and the gentleman, Mr. Rappaport, may proceed.

Mr. RAPPAPORT. Mr. Speaker, am I correct that the gentleman from Westmoreland is a member of the bar?

Mr. KUKOVICH. That is correct, Mr. Speaker. I do not brag about it, but I am.

Mr. RAPPAPORT. Mr. Speaker, perhaps that explains some of the legislation we have been getting from this gentleman.

Mr. Speaker, I wonder if the gentleman, in his law practice, has ever confessed a judgment representing a plaintiff in a commercial matter.

Mr. KUKOVICH. I have never represented a plaintiff in a commercial matter.

Mr. RAPPAPORT. Has the gentleman ever represented a defendant in a commercial matter?

Mr. KUKOVICH. Yes; I have.

Mr. RAPPAPORT. And was a judgment confessed in that case?

Mr. KUKOVICH. I do not know. You will have to check my files.

Mr. RAPPAPORT. I thank the gentleman for his courtesy, Mr. Speaker, and I ask to be recognized.

The SPEAKER. The Chair recognizes the gentleman from Philadelphia, Mr. Rappaport.

Mr. RAPPAPORT. Unlike the gentleman from Westmoreland, I am quite conversant with confessions of judgment, representing both plaintiffs and defendants. There is only one reason why a plaintiff who has the power to confess a judgment does it in Pennsylvania today, and that is to get a lien on the person's real estate until such time as the matter can be decided. Petitions to open the judgments are routinely filed and if filed in a timely manner, are granted by the courts of this Commonwealth. They are granted every day. Under the rules of civil procedure, a defendant must be notified of the entry of judgment by the prothonotary as soon as the judgment is entered by mail. In fact, when the plaintiff goes in to confess the judgment, he has to bring along the form of notification typed up with a stamped envelope to be sent to the defendant. If the defendant has a meritorious defense, the judgment is opened. Even if it is only as to the amount of interest, any imperfection, the judgment is opened or stricken. Therefore, there is complete protection to the defendant. I might add that I am informed that the large retailers do not even use this method anymore. The confession of judgment has been in the law of Pennsylvania since colonial times. Retailers like Sears, et cetera, just do not use this. This is the case of a small merchant who may be extending the credit because he knows that the customer owns his home and knows he is going to get paid, and as was pointed out by my friend, Mr. Dorr, all we are doing is taking away another form of security and eliminating credit for that many more people in Pennsylvania. Thank you, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman from Westmoreland, Mr. Kukovich.

Mr. KUKOVICH. I would like to address a couple of the issues that were brought up. First of all, it is not always necessarily that easy to open a judgment. There are various defenses to opening judgment. There is one called laches, which is a defense of timing. Oftentimes if the consumer has been unaware that a judgment has been entered, which can frequently happen, that defense would be available to them, and no matter how unfair the judgment was against the consumer, they would have no recourse.

Secondly, the comment was made that it is an easy system; it is well understood. The courts have held that it is not understood. As a matter of fact, there was a case in the third circuit, *Swarb v. Lennox*, which held that those individuals who have an income under \$10,000 a year would not be bound by a confession of judgment if it is written into some sort of sales agreement because they would not understand it. This is a logical extension of that court case. I guess what I am trying to do is cut the middle class the same kind of break that the courts have granted the poor, because many people enter into these agreements without full knowledge of the rights they are giving away, and if we are going to start taking money away from the consumer in the form of raising the interest rates, the least we can do is knock down the other disadvantage they have in having easy judgments made against them without their chance to fight those judgments.

I would appreciate your consideration and support of this amendment.

The SPEAKER. The Chair recognizes the gentleman from Montgomery, Mr. Yohn.

Mr. YOHN. Mr. Speaker, I rise to oppose the amendment for many of the reasons specified by Mr. Dorr and Mr. Rappaport, but I would add another reason. The third provision in the amendment states that once the plaintiff has been paid, he must satisfy the judgment. That, of course, is true, but what the gentleman forgets is that there already is a statute on the books in Pennsylvania that has been there at least for the last 30 years that states that that judgment must be satisfied, and if it is not, the defendant is entitled to treble damages, or if the treble damages are less than a certain amount—and I do not recall the exact amount right now—he is entitled to those damages, so that this section of the amendment would be a significant weakening of the law as it exists to consumers and defendants at the present time. Therefore I think it was drafted without knowledge of that statute, and I would suggest the amendment be defeated.

The SPEAKER. The Chair recognizes the gentleman from Schuylkill, Mr. Hutchinson.

Mr. W. D. HUTCHINSON. Mr. Speaker, it is somewhat difficult to remember and try to answer the statements that Mr. Kukovich has made with respect to this practice, but insofar as I remember them I would like to make the following comments: The gentleman refers to the doctrine of laches, and that is a technical term, and once again, unfortunately, I am afflicted as a lawyer, and most people do not understand what it is. But it says, as he said, if you do not take an action in court in a timely manner, you may be barred. Well, now, the bar only starts to run from the time that you were on notice that you should have taken the action, and the rules of court, the rules of civil procedure with confession of judgment, as Mr. Rappaport pointed out, absolutely require you to give that notice at the time that you put the judgment in, so that the person who is affected, the debtor, has that notice. Now it may be said that perhaps he is not at that address or something.

You also have to file affidavits before you execute on the judgment that that is the last known address of the person to whom you sent the notice, and that as a matter of fact you made reasonable efforts to investigate to determine that was the address. Now that affidavit is taken under penalty of perjury. We all know that there are people who do not want their creditors to know what their address is. I think that laches is a spurious argument; the notice provisions are adequate.

Reference was made to the *Lennox* case, and the *Lennox* case does put certain restrictions in connection with the confession of judgment against persons under \$10,000 a year income, and they are good restrictions for that area, but the *Lennox* case does not say what the gentleman, Mr. Kukovich, said it held. The *Lennox* case simply says that before you can confess judgment against a person whose income is less than \$10,000, you must establish that he knew and you explained to him what the effect of that confession of judgment clause was, and you have to go in and prove that. It does not say you can never confess judgment. You cannot execute on his property and send the sheriff out to pick it up, if he objects, until you prove before the court that you explained to him in advance what was in that paper. Okay? And he can stop it at that point. Now you say, well, where does he get a lawyer? We have got our community legal services for people who do not have lawyers, amendments which I supported to fund them, that he can go to, and every time you file a paper in court, you have to put a big notice on the front in boldface type that this may affect important rights and you should get a lawyer at once, and if you do not have a lawyer and cannot afford one, here is the name and address in your county where you go to get the lawyer.

Now, finally, the Supreme Court of Pennsylvania, in the *Pennsylvania Bulletin* of, I believe, 2 weeks ago, has just promulgated a whole set of new rules on the confession of judgment thing which substantially, I believe, are designed to improve the rights of defendants in connection with confessions, give them better notice, give them more protection. I have that at home. I looked at it. I cannot comment on it in detail, but I think we are just crazy to start attaching to this bill something that really should not be germane to it at all in the light of those legal developments. I do not want to see poor people have their property taken away from them. I do not want to see people get hurt who do not deserve to be hurt, but by the same token the legitimate creditor has a right to collect his debt by expeditious means from the person who willfully refuses to pay. I think there are enough protections in this law now, and I think we should vote against this amendment. Thank you.

On the question recurring,

Will the House agree to the amendments?

(A rollcall vote was taken which was later retaken.)

On the question recurring,

Will the House agree to the bill as amended on third consideration?

Mr. KUKOVICH offered the following amendments:

Amend Sec. 1, page 1, line 12, by striking out "Clause" and inserting Clauses (13) and (16) of section 201, clause

Amend Sec. 1, page 1, line 13, by striking out "and" and inserting a comma

Amend Sec. 1, page 1, line 13, by inserting after "905" and section 910

Amend Sec. 1, page 1, lines 15 and 16, by striking out "a clause is added to section 303" and inserting sections 201 and 303 are amended by adding clauses

Amend Sec. 1, page 1, by inserting between lines 16 and 17

Section 201. Unless the context or subject matter otherwise requires, the definitions given in this article govern the construction of this act.

* * *

(13) "Holder" means the retail seller or issuer of a seller credit card who acquires a retail installment contract or installment account executed, incurred or entered into by a retail buyer, or if the contract or installment account is purchased by a financing agency or other assignee, the financing agency or other assignee. [The term does not include the pledgee of or the holder of a security interest in an aggregate number of such contracts or installment accounts to secure a bona fide loan thereon.] A holder also includes a person who regularly makes loans and who participates in or is connected with a sale. Mere knowledge that a loan will be used for a purchase of goods or services does not without some other participation or connection make the lender a holder. Notwithstanding the foregoing, the status of holder does exist, but is not limited to, those instances when the lender is related to the seller; the seller prepares documents used in connection with the loan; the lender provides forms or documents to the seller for use by the buyer in obtaining the loan; or the lender has recourse to the seller for nonpayment of the loan through a guaranty, maintenance of a reserve account or otherwise; or the buyer is referred to the lender or financing agency by the seller; or the lender or financing agency either directly or indirectly pays the seller any consideration, in connection with the particular transaction or in a manner which encourages similar transactions. A holder shall not include the issuer of a credit card who does not otherwise participate in or is connected with a retail installment contract or account.

* * *

(16) "Financing agency" means a person engaged in this Commonwealth in whole or in part in the business of purchasing retail installment contracts, or installment accounts from one or more retail sellers or a person or lender to whom a seller refers buyers or with whom a seller arranges credit for buyers. The term includes but is not limited to a bank, bank and trust company, private banker, [or] investment company or a licensee in accordance with the act of April 8, 1937 (P.L.262, No.66), known as the "Consumer Discount Company Act";

When a financing agency is a holder, it shall be subject to all legal claims or defenses arising out of the transaction, but not in excess of the original unpaid balance: Provided, however, That nothing contained herein shall limit a buyer's right to withhold payments on a retail installment contract or loan from a seller or holder because of a legal claim or defense against either nor preclude the financing agency or holder from taking appropriate action against the seller for damages.

(17) "Person who is related to the seller" means (i) a person directly or indirectly controlling the organization, controlled by the organization or, who together with the organization, is under common control; (ii) an officer or director of the organization or a person performing similar functions with respect to the organization or to a person related to the organization; (iii) the spouse of a natural person related to the orga-

nization; and (iv) a relative by blood or marriage of a person related to the organization who shares the same home with him.

Amend Sec. 1 (Sec. 402), page 2, line 16, by inserting a bracket before "Section"

Amend Sec. 1 (Sec. 402), page 2, line 21, by striking out the bracket before "unless"

Amend Sec. 1 (Sec. 402), page 3, line 5, by striking out "time"]" and inserting time." Section 402. (a) All legal defenses arising out of the transaction which are available to the buyer against the seller shall also be available against a holder or assignee.

(b) No retail installment contract or any separate instrument executed in connection therewith shall contain any provision waiving any legal remedies or defenses which a buyer may have had against the seller, nor shall said contract or instrument contain any provision relieving the holder or assignee from defenses available to the buyer against the seller.

Amend Sec. 1, page 7, by inserting between lines 7 and 8 Section 910. The provisions of clause (k) of section 303 and sections 402, 601 and 604 shall be applicable to retail installment accounts.

Amend Sec. 3, page 8, line 23, by striking out "HUNDREDS" and inserting hundredth

On the question,

Will the House agree to the amendments?

The SPEAKER. The Chair recognizes the gentleman from Westmoreland, Mr. Kukovich.

Mr. KUKOVICH. Mr. Speaker, hopefully I will be able to make this amendment a little more clear than the last one. What we are trying to do with this amendment is put to rest a practice known as "dragging the body," and to explain that a little bit, what oftentimes happens in retail situations, it is a financing technique that sellers use to prevent buyers from withholding installment payments whenever the product they have sold them is worthless or defective in some way. A hypothetical example of the way this would work would be if an individual buys an appliance and for financing purposes the seller of that appliance has a form of the local lending institution or a local friend down the street. They handle the financing through that individual. The retailer and the lender are working together. Now what happens whenever that consumer takes the product that they just bought home and it is no good? It might be in breach of the warranty; it might not be useful in any way whatsoever. There is no way that they could withhold their payment, because the lender is not a party to that agreement of sale. Therefore, the consumer is stuck with a worthless product, yet they still have to pay for it. They do have a recourse, of course, in trying to sue the seller of that product. However, in the meantime they still must continue to pay. It is only proper and it is only fair that the burden should fall on the seller. If this amendment were to go through, what it would mean is that the consumer would be able to withhold payment in such a case and the lending institution would have to go to the seller for recourse.

The burden of making decent, safe, and good products must lie on the seller. This is one example of another way that they escape that burden, another little "Catch 22" that

is used against the consumers in this Commonwealth. I would appreciate an affirmative vote on this amendment.

The SPEAKER. The Chair recognizes the gentleman from Jefferson, Mr. Smith.

Mr. L. E. SMITH. Mr. Speaker, I rise in opposition to this amendment. This subject has been addressed by the Federal Trade Commission, and almost everything in Mr. Kukovich's amendment is covered by the regulations. Now one of the arguments against that is that the Federal Trade Commission does not have enforcement powers but all retail sellers are abiding by the Trade Commission regulation.

All this language, frankly, I have not been able to interpret. I saw this amendment for the first time yesterday, and I have not been able to make an adequate comparison between the Federal Trade Commission regulation and Mr. Kukovich's amendment. Therefore, I would ask that the members vote against this amendment, and I would also ask if Mr. Kukovich would stand for brief interrogation.

The SPEAKER. The gentleman, Mr. Smith, may proceed.

Mr. L. E. SMITH. Mr. Speaker, I would ask the gentleman to look at the last sentence of the new language under subsection (13) and kindly give us an example of what he is addressing in that last sentence of the first portion of the amendment.

Mr. KUKOVICH. Mr. Speaker, the purpose of that is to make sure that the general credit cards that we see every day are not included in this concept, because they normally do not participate in this "dragging the body" concept, and they only would if they were working in conjunction, working hand in hand, with a lending institution.

Mr. L. E. SMITH. I thank the gentleman, Mr. Speaker. That will help me make a better comparison of the Federal Trade regulation, but I would ask the members to vote against this amendment.

The SPEAKER. The Chair recognizes the gentleman from Westmoreland, Mr. Kukovich.

Mr. KUKOVICH. Mr. Speaker, it appears from Mr. Smith's statement that his main or his only objection is with the FTC, that the FTC has the regulation. Now that is certainly true, and the reason I offer this amendment is that the FTC regulation does not go far enough; actually, in essence, it does not do much good at all.

The FTC only has limited authority in this area. They have no power of enforcement. Basically all they did in their regulations was mandate that there should be some notice on the agreement of sale, on the contract, but there is no real enforcement of that. Once again from a pragmatic standpoint, there is really no way for the FTC to oversee that. What we have to do is give the consumers this right under the law. It is something the FTC does not have the power to do, but we have that power.

Now this is obviously a way of taking advantage of the consumer. It is obviously a way in which retailers and lenders can play a little game together to absolve themselves of certain types of liability, and the FTC simply has not

done the job and, in fact, they cannot do the job. We can, and I would urge you to vote today so we can finally do that.

On the question recurring,
Will the House agree to the amendments?

The following roll call was recorded:

YEAS—53

Austin	Goebel	Manderino	Seventy
Brown	Grabowski	Michlovic	Shupnik
Burns	Greenfield	Mrkonic	Stewart
Chess	Harper	Murphy	Street
Cowell	Hoefel	Novak	Sweet
DeMedio	Hutchinson, A.	O'Donnell	Telek
DeWeese	Irvis	Petrarca	Trello
Davies	Itkin	Pistella	Wachob
Dawida	Johnson, J. J.	Pucciarelli	Wargo
Dombrowski	Jones	Reed	Wilson
Fischer	Kukovich	Ritter	Wright, Jr., J.
Gallagher	Letterman	Rodgers	Zitterman
George, C.	Livengood	Schweder	Zwilk
George, M. H.			

NAYS—130

Alden	Fee	Levin	Ryan
Anderson	Fisher	Lewis	Salvatore
Armstrong	Foster, W. W.	Lynch, E. R.	Scheaffer
Arty	Foster, Jr., A.	McCall	Schmitt
Barber	Freind	McClatchy	Serafini
Belardi	Fryer	McKelvey	Sieminski
Bennett	Gallen	McMonagle	Sirianni
Berson	Gamble	McVerry	Smith, E. H.
Bittle	Gannon	Mackowski	Smith, L. E.
Borski	Gatski	Madigan	Spencer
Bowser	Geesey	Manmiller	Spitz
Brandt	Geist	Micozzie	Stairs
Burd	Gladeck	Milanovich	Steighner
Caltagirone	Goodman	Miller	Stuban
Cappabianca	Grieco	Moehlmann	Swift
Cessar	Gruppo	Mowery	Taddonio
Cimini	Halverson	Mullen	Taylor, E. Z.
Clark, B. D.	Hasay	Nahill	Taylor, F.
Clark, M. R.	Hayes, Jr., S.	O'Brien, B. F.	Thomas
Cochran	Helfrick	O'Brien, D. M.	Vroom
Cole	Honaman	Oliver	Wass
Cornell	Hutchinson, W.	Perzel	Wenger
Coslett	Johnson, E. G.	Peterson	White
Cunningham	Kanuck	Piccola	Williams
DeVertter	Klingaman	Pievsky	Wilt
DiCarlo	Knepper	Pitts	Wright, D. R.
Dietz	Knight	Polite	Yahner
Dininni	Kolter	Pott	Yohn
Dorr	Kowalshyn	Punt	Zeller
Duffy	Lashinger	Pyles	Zord
Dumas	Laughlin	Rappaport	
Durham	Lehr	Rieger	Seltzer,
Earley	Levi	Rocks	Speaker

NOT VOTING—13

Beloff	Hayes, D. S.	Noye	Richardson
Cohen	McIntyre	Pratt	Shadding
Giammarco	Musto	Rhodes	Weidner
Gray			

The question was determined in the negative, and the amendments were not agreed to.

On the question recurring,
Will the House agree to the bill as amended on third consideration?

Bill as amended was agreed to.

The SPEAKER. This bill has been considered on three different days and agreed to and is now on final passage.

The question is, shall the bill pass finally?

The Chair recognizes the gentleman from Beaver, Mr. Laughlin.

Mr. LAUGHLIN. Mr. Speaker, would you ask Mr. Smith to please stand for interrogation?

The SPEAKER. The gentleman, Mr. Smith, indicates that he will, Mr. Laughlin. You may proceed.

Mr. LAUGHLIN. Mr. Speaker, customarily in the House of Representatives, if there is a bill that is put before us to consider a cost factor, we get a fiscal note if it affects state government and local government in any way relative to income and relative to the outgo of funds. I realize that this bill in no way affects the state government other than the fact that they are going to pay for whatever they borrow in the same manner, but would you please give me a figure, if you have one, on the amount of cost that is involved in raising this interest rate on the purchasing that is done in the State of Pennsylvania in any one given year?

Mr. L. E. SMITH. By retailers?

Mr. LAUGHLIN. By a consumer who is purchasing, who is paying the increased rate.

Mr. L. E. SMITH. No, Mr. Speaker, I could not begin to give you a figure like that. I do not have it available. But I can tell you that the average balance of consumer credit accounts, excluding bank credit cards, is \$105.

Mr. LAUGHLIN. You are talking about an individual purchase, an individual's account. Is that correct, Mr. Speaker? How many accounts like that are you speaking of?

Mr. L. E. SMITH. I do not know.

Mr. LAUGHLIN. Well, you know, the information is not worth much when you know the amount but you do not know the number. We are trying to assess a figure as to how much money this is going to cost the consumers of Pennsylvania by raising this rate.

Mr. L. E. SMITH. I do not have the answer, Mr. Speaker.

Mr. LAUGHLIN. All right, Mr. Speaker. It is quite obvious that the sponsor of the bill cannot give us any information.

I would like to have a moment to address the House.

The SPEAKER. The Chair recognizes the gentleman from Beaver, Mr. Laughlin.

Mr. LAUGHLIN. Mr. Speaker, yesterday Governor Thornburgh told us that the legislature and the Governor were not going to be increasing taxes in the State of Pennsylvania this year. Mr. Speaker, the consumers of Pennsylvania and taxpayers of Pennsylvania this year certainly cannot afford a tax increase. With what has happened to them since last January, they have had to pay approximately \$50 million out of their consumer pockets because of the increased rates that were applied to interest on the purchase of an automobile. They have had to pay increased millions that have been assessed to them because of the

mortgage rate increases that went in, partially the responsibility of this House, and, secondly, the responsibility of the Federal Government in lifting those ceilings. But, Mr. Speaker, this is a direct approach that we are making today into the consumers' pocket again, and we are dipping in this time on every purchase that they make that they carry credit on up to \$500, and we are increasing that amount, the 1-percent figure.

Mr. Speaker, we had figures given to us on a 3-percent rate that was in the neighborhood of \$500 million. Now we are back to 1 percent, so let us take it at \$170 million. Mr. Speaker, in line with the increase that we are putting on with this bill if it is passed, the bill that was put in earlier on vehicle increases, we are talking about over \$240 million coming out of the pockets of the people of Pennsylvania this year without a tax increase. I cannot condone this type of legislation, and I certainly hope the members of this House are not going to go along with increasing the consumer credit in this state. Thank you, Mr. Speaker.

DECISION OF CHAIR RESCINDED

VOTE RETAKEN

The SPEAKER. The rollcall machine clerk has informed me that the amendment of Mr. Kukovich, A4765, was not recorded properly in our computer, and it will be necessary to retake the roll on the Kukovich amendment No. A4765. So the Chair rescinds its decision as to the bill having been agreed to as amended on third consideration.

The SPEAKER. The Chair recognizes the gentleman from Westmoreland, Mr. Kukovich. Will the gentleman identify the contents of his amendment?

Mr. KUKOVICH. Mr. Speaker, that was the first amendment. That was the one that, I think, four or five people spoke against. Would you like me to explain it again? I did not think so.

On the question recurring,

Will the House agree to the amendments?

The following roll call was recorded:

YEAS—55

Austin	George, M. H.	Levin	Shupnik
Brown	Goebel	Livengood	Stairs
Burns	Goodman	Michlovic	Street
Chess	Grabowski	Mrkonic	Stuban
Clark, B. D.	Greenfield	Murphy	Sweet
Cochran	Harper	Novak	Taylor, F.
Cole	Hoeffel	O'Donnell	Telek
Cowell	Hutchinson, A.	Petrarca	Trello
DeWeese	Itkin	Pistella	Wachob
Davies	Johnson, J. J.	Reed	Wargo
Dawida	Jones	Rhodes	Wilson
Fee	Knight	Ritter	Wright, Jr., J.
Fischer	Kukovich	Rodgers	Zitterman
Gallagher	Letterman	Seventy	

NAYS—127

Alden	Foster, W. W.	McCall	Rocks
Anderson	Foster, Jr., A.	McClatchy	Ryan
Armstrong	Freind	McKelvey	Salvatore
Arty	Fryer	McMonagle	Scheaffer
Barber	Gallen	McVerry	Schmitt
Belardi	Gamble	Mackowski	Schweder
Bennett	Gannon	Madigan	Serafini
Berson	Gatski	Manmiller	Sieminski

Bittle	Geesey	Micozzie	Smith, E. H.
Borski	Geist	Milanovich	Smith, L. E.
Bowser	George, C.	Miller	Spencer
Brandt	Gladeck	Moehlmann	Spitz
Burd	Grieco	Mowery	Steighner
Caltagirone	Gruppo	Mullen	Stewart
Cappabianca	Halverson	Nahill	Swift
Cessar	Hasay	Noye	Taddonio
Cimini	Hayes, Jr., S.	O'Brien, B. F.	Taylor, E. Z.
Clark, M. R.	Helfrick	O'Brien, D. M.	Thomas
Cornell	Honaman	Oliver	Vroon
Coslett	Hutchinson, W.	Perzel	Wass
Cunningham	Johnson, E. G.	Peterson	Wenger
DeMedio	Kanuck	Piccola	White
DeVerter	Klingaman	Pievsky	Wilt
DiCarlo	Knepper	Pitts	Wright, D. R.
Dietz	Kolter	Polite	Yahner
Dininni	Kowalshyn	Pott	Yohn
Dombrowski	Lashinger	Pratt	Zeller
Dorr	Laughlin	Pucciarelli	Zord
Duffy	Lehr	Punt	Zwikl
Dumas	Levi	Pyles	
Durham	Lewis	Rappaport	Seltzer,
Earley	Lynch, E. R.	Rieger	Speaker
Fisher			

NOT VOTING—14

Beloff	Hayes, D. S.	Musto	Sirianni
Cohen	Irviss	Richardson	Weidner
Giammarco	McIntyre	Shadding	Williams
Gray	Manderino		

The question was determined in the negative, and the amendments were not agreed to.

On the question recurring,

Will the House agree to the bill as amended on third consideration?

Bill as amended was agreed to.

The SPEAKER. This bill has been considered on three different days and agreed to and is now on final passage.

The question is, shall the bill pass finally?

The Chair recognizes the gentleman from Lehigh, Mr. Zeller.

Mr. ZELLER. Mr. Speaker, for too long I believe that there has been on both sides of the aisle the political lashes at one another in regard to legislation and using the public as a pawn. I feel that after listening to the last remarks, I had to rise to my feet because I have had my problems with the administration in regard to "Gay Pride Week" and you name it. I have had problems in regard to the allowing of a certain birthday, a day off, in regard to the cost of quite a considerable amount of money to the taxpayers after we said no. I have been very much alarmed at some of the political movements that have been going on. I believe I have been known to tell it like it is, and after I heard the last remarks in regard to the cost to the consumer and interviewing Mr. Smith in regard to his knowledge of this, I do not know how anybody could say what the amount would be. Who knows? We do not know. Nobody can know but God. So to use that as a political weapon for the news media, to go out there and to spank an administration and use the public as a pawn is a cruel hoax.

I have been against this bill all along until just recently when I saw what it was doing to the little guy. I saw the

little business guy going down the tube because there have been too many in the higher echelon who have been playing games, and that is on the Federal level. The thing is that there are companies that can afford to pass on the costs, but there are others that cannot, and I have had this spelled out to me by a small businessman who has his head turned on right. He sat down and explained it to me over the weekend to let me know exactly what was happening to his business, and I finally saw the light.

I am saying this: To get up here on this floor and to use the consumer for votes as a pawn is cruel, and that is what has been going on and I think it is time we knock it off, because we are playing games here to win the House next year or do whatever and telling the public that we are with them and, in effect, all we are doing is playing games. That is why I wanted to get this off my chest, and I think we have got to vote this bill and we have got to be responsible. That is the whole problem, the fact that we have been playing too much politics and not getting on with the business at order.

The SPEAKER. The Chair recognizes the gentleman from Lackawanna, Mr. Zitterman.

Mr. ZITTERMAN. Mr. Speaker, we have all heard the discussion on HB 538, and during the course of time my colleagues were up on this House floor talking about consumer loans, and they talked about helping the consumer. As my colleague, Mr. Laughlin, said, this bill over a 3-year period will cost the consumer approximately \$500 million per year. We have an opportunity, Mr. Speaker, to stop this rate increase and help our consumer or to yield to the private interest groups, Mr. Speaker. If this bill, HB 538, passes today, again Pennsylvania will be number one. Pennsylvania will lead the United States in its high interest rates with this 18 and 15. I am asking for a negative vote on this bill, Mr. Speaker.

On the question recurring,

Shall the bill pass finally?

The SPEAKER. Agreeable to the provisions of the Constitution, the yeas and nays will now be taken.

YEAS—75

Anderson	Gallen	McVerry	Rocks
Arty	Geesey	Madigan	Ryan
Berson	Geist	Micozzie	Scheaffer
Bittle	George, M. H.	Miller	Sirianni
Bowser	Gladeck	Moehlmann	Smith, E. H.
Brandt	Grieco	Mowery	Smith, L. E.
Burd	Halverson	Mullen	Spencer
Cimini	Hayes, Jr., S.	Nahill	Swift
Cole	Helfrick	Noye	Taylor, E. Z.
Cornell	Honaman	Peterson	Thomas
DeVerter	Itkin	Piccola	Vroon
Davies	Johnson, E. G.	Pievsky	Wass
Dietz	Kanuck	Pitts	Wenger
Dininni	Knepper	Polite	Wilt
Dorr	Lashinger	Pott	Yohn
Earley	Levi	Punt	Zeller
Fisher	Lewis	Pyles	
Foster, W. W.	Lynch, E. R.	Rappaport	Seltzer,
Foster, Jr., A.	McClatchy	Rhodes	Speaker
Freind			

NAYS—109

Armstrong	Fryer	Levin	Schmitt
Austin	Gallagher	Livengood	Schweder
Barber	Gamble	McCall	Serafini
Belardi	Gannon	McKelvey	Seventy
Bennett	Gatski	McMonagle	Shupnik
Borski	George, C.	Mackowski	Sieminski
Brown	Goebel	Manderino	Spitz
Burns	Goodman	Manmiller	Stairs
Caltagirone	Grabowski	Michlovic	Steighner
Cappabianca	Greenfield	Milanovich	Stewart
Cessar	Gruppo	Mrkonic	Street
Chess	Harper	Murphy	Stuban
Clark, B. D.	Hasay	Novak	Sweet
Clark, M. R.	Hoeffel	O'Brien, B. F.	Taddonio
Cochran	Hutchinson, A.	O'Brien, D. M.	Taylor, F.
Coslett	Hutchinson, W.	O'Donnell	Telek
Cowell	Irviss	Olivier	Trello
Cunningham	Johnson, J. J.	Perzel	Wachob
DeMedio	Jones	Petrarca	Wargo
DeWeese	Klingaman	Pistella	White
DiCarlo	Knight	Pratt	Wilson
Dawida	Kolter	Pucciarelli	Wright, D. R.
Dombrowski	Kowalyszyn	Reed	Wright, Jr., J.
Duffy	Kukovich	Rieger	Yahner
Dumas	Laughlin	Ritter	Zitterman
Durham	Lehr	Rodgers	Zord
Fee	Letterman	Salvatore	Zwikl
Fischer			

NOT VOTING—12

Alden	Giammarco	McIntyre	Shadding
Beloff	Gray	Musto	Weidner
Cohen	Hayes, D. S.	Richardson	Williams

Less than the majority required by the Constitution having voted in the affirmative, the question was determined in the negative and the bill falls.

RECONSIDERATION OF VOTE ON SB 518

The SPEAKER. The Chair recognizes the gentleman from Lehigh, Mr. Zeller.

Mr. ZELLER. Mr. Speaker, I move that the vote by which SB 518, PN 1516, was defeated on the 5th day of February, 1980, be reconsidered.

The SPEAKER. The Chair recognizes the gentleman from Delaware, Mr. Micozzie.

Mr. MICOZZIE. I second the motion.

On the question,
Will the House agree to the motion?

The following roll call was recorded:

YEAS—157

Alden	Fisher	Lewis	Salvatore
Anderson	Foster, W. W.	Livengood	Scheaffer
Armstrong	Foster, Jr., A.	Lynch, E. R.	Schweder
Arty	Freind	McCall	Serafini
Barber	Fryer	McClatchy	Seventy
Belardi	Gallen	McKelvey	Shupnik
Bennett	Gamble	McMonagle	Sieminski
Bittle	Gannon	McVerry	Sirianni
Borski	Gatski	Mackowski	Smith, E. H.
Bowser	Geesey	Madigan	Smith, L. E.
Brandt	Geist	Manderino	Spencer
Brown	George, C.	Manmiller	Spitz
Burd	George, M. H.	Michlovic	Steighner
Burns	Goebel	Micozzie	Stewart
Caltagirone	Goodman	Miller	Street
Cappabianca	Greenfield	Moehlmann	Stuban
Chess	Grieco	Mowery	Sweet

Cimini	Gruppo	Murphy	Swift
Clark, M. R.	Halverson	Musto	Taddonio
Cochran	Harper	Noye	Taylor, E. Z.
Cole	Hasay	O'Brien, B. F.	Taylor, F.
Cornell	Hayes, Jr., S.	O'Brien, D. M.	Telek
Coslett	Hoeffel	O'Donnell	Trello
Cowell	Honaman	Perzel	Wachob
Cunningham	Hutchinson, W.	Peterson	Wargo
DeMedio	Irviss	Petrarca	Wass
DeVerter	Itkin	Piccola	Wenger
DeWeese	Johnson, E. G.	Pievsky	White
DiCarlo	Johnson, J. J.	Pistella	Wilson
Davies	Jones	Pitts	Wilt
Dawida	Klingaman	Polite	Wright, D. R.
Dietz	Knepper	Pott	Wright, Jr., J.
Dininni	Kolter	Pucciarelli	Yahner
Dombrowski	Kowalyszyn	Punt	Yohn
Dorr	Kukovich	Rappaport	Zeller
Duffy	Lashingier	Rieger	Zwikl
Dumas	Laughlin	Ritter	
Durham	Lehr	Rocks	Seltzer,
Earley	Levi	Rodgers	Speaker
Fee	Levin	Ryan	

NAYS—12

Austin	Grabowski	Letterman	Novak
Clark, B. D.	Hutchinson, A.	Milanovich	Reed
Fischer	Knight	Mrkonic	Stairs

NOT VOTING—27

Beloff	Gray	Oliver	Thomas
Berson	Hayes, D. S.	Pratt	Vroon
Cessar	Helfrick	Pyles	Weidner
Cohen	Kanuck	Rhodes	Williams
Gallagher	McIntyre	Richardson	Zitterman
Giammarco	Mullen	Schmitt	Zord
Gladeck	Nahill	Shadding	

The question was determined in the affirmative, and the motion was agreed to.

On the question recurring,
Shall the bill pass finally?

SB 518 PLACED ON FINAL PASSAGE POSTPONED CALENDAR

The SPEAKER. The Chair recognizes the majority leader.

Mr. RYAN. Mr. Speaker, I move that SB 518 be placed on the final passage postponed calendar.

On the question,
Will the House agree to the motion?
Motion was agreed to.

RECONSIDERATION OF VOTE ON HB 538

The SPEAKER. The Chair recognizes the gentleman from Jefferson, Mr. Smith.

Mr. L. E. SMITH. Mr. Speaker, I move that the vote by which HB 538, PN 2522, was defeated on the 6th day of February, 1980, be reconsidered.

The SPEAKER. The Chair recognizes the gentleman from Allegheny, Mr. Pott.

Mr. POTT. Mr. Speaker, I second the motion.

On the question,

Will the House agree to the motion?

The following roll call was recorded:

YEAS—140

Anderson	Fisher	Lewis	Rodgers
Armstrong	Foster, W. W.	Livengood	Salvatore
Arty	Foster, Jr., A.	Lynch, E. R.	Scheaffer
Barber	Freind	McCall	Schmitt
Belardi	Fryer	McClatchy	Schweder
Bennett	Gallagher	McKelvey	Serafini
Berson	Gallen	McMonagle	Shupnik
Bittle	Gannon	McVerry	Sieminski
Borski	Geist	Mackowski	Smith, E. H.
Bowser	George, C.	Madigan	Smith, L. E.
Brandt	George, M. H.	Manmiller	Spencer
Burd	Gladeck	Micozzie	Spitz
Caltagirone	Goebel	Miller	Steighner
Cappabianca	Goodman	Moehlmann	Stewart
Cimini	Greenfield	Mullen	Sweet
Clark, B. D.	Grieco	Murphy	Swift
Cochran	Gruppo	Nahill	Taddonio
Cole	Halverson	Noye	Taylor, E. Z.
Cornell	Harper	O'Brien, B. F.	Taylor, F.
Coslett	Hoefel	O'Brien, D. M.	Telek
Cowell	Honaman	Oliver	Vroon
Cunningham	Hutchinson, A.	Perzel	Wachob
DeMedio	Hutchinson, W.	Peterson	Wargo
DeVerter	Irvis	Pievsky	Wenger
DeWeese	Itkin	Pitts	White
DiCarlo	Johnson, E. G.	Polite	Wilt
Davies	Jones	Pott	Wright, D. R.
Dawida	Kanuck	Pratt	Yahner
Dietz	Klingaman	Pucciarelli	Yohn
Dininni	Knepper	Punt	Zeller
Dombrowski	Kowalyshyn	Pyles	Zitterman
Dorr	Lashinger	Rappaport	Zwilk
Dumas	Lehr	Rieger	
Durham	Letterman	Ritter	Seltzer,
Earley	Levi	Rocks	Speaker
Fee	Levin		

NAYS—33

Brown	Hasay	Mrkonic	Stairs
Burns	Johnson, J. J.	Novak	Street
Chess	Knight	O'Donnell	Stuban
Clark, M. R.	Kolter	Petrarca	Trello
Duffy	Kukovich	Piccola	Wass
Fischer	Laughlin	Pistella	Wilson
Gamble	Michlovic	Reed	Wright, Jr., J.
Gatski	Milanovich	Seventy	Zord
Grabowski			

NOT VOTING—23

Alden	Giammarco	Manderino	Shadding
Austin	Gray	Mowery	Sirianni
Beloff	Hayes, D. S.	Musto	Thomas
Cessar	Hayes, Jr., S.	Rhodes	Weidner
Cohen	Helfrick	Richardson	Williams
Geesey	McIntyre	Ryan	

The question was determined in the affirmative, and the motion was agreed to.

HB 538 PLACED ON FINAL PASSAGE POSTPONED CALENDAR

The SPEAKER. The Chair recognizes the gentleman from Jefferson, Mr. Smith.

Mr. L. E. SMITH. Mr. Speaker, I move that HB 538 be placed on the final passage postponed calendar.

On the question,
Will the House agree to the motion?
Motion was agreed to.

BILLS REPORTED FROM COMMITTEES, CONSIDERED FIRST TIME, AND TABLED

HB 1661, PN 2013 By Rep. L. E. SMITH

An Act amending "The Administrative Code of 1929," approved April 9, 1929 (P. L. 177, No. 175), establishing an office under the direction of the Governor to assist business in transactions with governmental agencies.

BUSINESS AND COMMERCE.

HB 1662, PN 2865 (Amended)

By Rep. L. E. SMITH

An Act establishing a State corporation to foster industrial and commercial and technological development to develop employment opportunities and making an appropriation.

BUSINESS AND COMMERCE.

HB 2030, PN 2564

By Rep. L. E. SMITH

An Act amending the "Pennsylvania Industrial Development Authority Act," approved May 17, 1956 (1955 P. L. 1609, No. 537), providing for the designation of critical economic areas annually or for periods of less than one year *** and removing the industrial development agency project percentage in certain instances; and changing the voting requirements for approvals or rejections of loan applications.

BUSINESS AND COMMERCE.

HB 2183, PN 2866 (Amended)

By Rep. L. E. SMITH

An Act amending the "Business Development Credit Corporation Law," approved December 1, 1959 (P. L. 1647, No. 606), empowering business development credit corporations to loan money for venture capital.

BUSINESS AND COMMERCE.

BILL REREPORTED FROM COMMITTEE

HB 1107, PN 1238

By Rep. VROON

An Act amending "The Pennsylvania Insurance Guaranty Association Act," approved November 25, 1970 (P. L. 716, No. 232), amending certain definitions and changing the number of members on the board.

INSURANCE.

STATEMENT BY MR. ZELLER

The SPEAKER. The Chair recognizes the gentleman from Lehigh, Mr. Zeller.

Mr. ZELLER. Mr. Speaker, I ask unanimous consent to make a brief statement.

The SPEAKER. The Chair hears no objection. The gentleman may proceed.

Mr. ZELLER, Mr. Speaker, I hope the members do not leave and also members of the press who are here, because I want to call your attention to an item that appeared in the Bulletin as of yesterday, the Philadelphia Bulletin as of

yesterday, and I think it is of very much importance that you hear this, because we heard Dan Rather and we read the article 2 weeks ago about a survey made in regard to the credibility of the press and what has been happening in our country as far as the attitude of the public and public officials and the courts in regard to the first amendment and I should say the eroding in the minds of the courts and everyone of the possibility of losing what is in the first amendment by some action in the very near future, and I do not want to see that happen. One of the problems we have is the lack of credibility by the press in too many areas, and I do not take this out on all members of the press, but I find in the larger operations such as, I may say, the AP, the UPI and so forth, we have not had the problems we have had in the local, smaller units. The reason for this is quite clear that it probably would be a rough time for some of these people to get a job in the higher echelons of the press because of the fact of not only their attitude, but their lack of credibility, lack of education, and you could go on and on, because they just have not been able to meet the gaff of printing the news.

Now what I am getting at, I want to read this to you, and this is showing lack of credibility. The article was put out on Tuesday, February 5, 1980, by the Philadelphia Bulletin, and it says, very short here:

Pennsylvania taxpayers spent \$143,623.19 last year to enable the state's 253 legislators to nibble on peanuts, smoke expensive cigars, dine, drink and entertain, according to official House and Senate records. The total exceeds the regular \$7,500-a-year expense allowance and does not include \$1,194 spent by each legislator for liquor while entertaining in his office.

Now the point I am getting at is that personally—and I have to say this, Mr. Speaker—we date back to 1972, when Mr. William Eckensberger of Lehigh County stood on this floor and lashed out at a reporter who is no longer here because he lost his job because he lacked credibility, and that individual stated that when a committee chairman completes the session, he or she takes home the money that is left in the account. Now you and I know that does not happen, but that individual said that, and Bill Eckensberger chastised this individual on the floor of this House for the, I should say, irresponsible actions in regard to reporting this to the public, which was untrue. I want to say that Mr. Eckensberger made a quote that I must tell you about, some of you new members, that, unfortunately, if the press says you are bad and you are good, you are bad; and if the press says you are good and you are bad, you are good. That seems to be the written word, and I am not taking that out on individuals I know. I could name five as the only ones whom I have ever been able to find who have lacked credibility, and I could name these individuals, and these individuals who are with the local, small papers that have been doing this have been sneaking statements about members that are untrue, and I think—I do not think so; I know so—I know we have to expose these people. We must

do so, and I will do so, not today, but it will be done in due time, and I will have facts that will back up what I am saying, because I know one example. Let me tell you one example. We have an individual who said there are five of them involved in this, but one individual started it—that I gave a citation to a cow. Now it will also be brought out with a couple of legislators who were involved in this deal. It will all be brought out in due time, if the Speaker will allow me later on. Of course, they do not allow you to name names. If I cannot, it will be put out in a circular; you will get it anyway. I will see to it that you get it.

The SPEAKER. Will the member please refrain from interrupting the gentleman? The Chair is interested that the members of that Fourth Estate hear what he is saying.

Mr. ZELLER. Thank you. The problem we have is that I went to the Legislative Reference Bureau, and there are two directors, past and present, who will tell you after an extensive investigation that Mr. Joe Zeller of the 134th district of Lehigh County did not give a citation to a cow, but they know who did. But we have—and now I will mention some names—we have an individual from—and I want to get it straight so that nobody is missing the boat here—we have an individual by the name of Marcia Coyle of the Allentown Morning Call who says I did. We have Hal Ellis of the Delaware County Times who says I did. We have William Eckenbarger of the Philadelphia Inquirer who says I did. We have Sandy Starobin of KYW, Philadelphia, just a few weeks ago—how about it, Brother Clark—out in Pittsburgh who says I did. We have John Taylor, also of the Pittsburgh Press, who says I did.

Now I challenge these individuals, I challenge them openly to prove it. They are going to put the action where their mouth is, because they cannot, because all they do is stir up a whole bunch of that stuff that has a crust on it and they break it loose, you know, and it starts smelling because of the fact that they do not know what else to write about. And these are individuals who say that you are peddling liquor in your offices, smoking cigars. My goodness, Brother Dietz and I, neither one of us smokes cigars and neither one of us even drinks stuff, and here we are supposed to have \$1,194 of booze. Well, you turn these guys around three times and they could not find their way back to the office.

So I want to close with that, unfortunately, this is the crisis we are having; this is what Dan Rather was trying to bring out; and this is what the courts are worried about and we are all worried about—the lack of responsibility by the press and the ruining of the first amendment. For too long they have been throwing truthfulness to the wind in making public utterances and writings, and this is damaging, because the public depends upon the written word. I have been writing for 25 years in nine weekly newspapers and recently one, and I will tell you this: I challenge anyone to question my writings, because I have been telling the facts, and there are a lot of them who would like to take me to court and yet they have not been able to challenge it, including some of the big newspapers. What I am saying to

you is this: We have got to get credible, and unless we get credible, we are going to erode what I am trying to protect for you fine people in the corner who really, I feel, are trying to do a job. But if we let this keep eroding, you are going to lose it, and this is the danger we have, and I say that sincerely, because we have people here who are trying, trying to do a job of representing the people and all you people do is tear them apart. I think it is horrible. Thank you very much.

The SPEAKER. The members of the press may stand and applaud with us.

The Chair recognizes the gentleman from Centre, Mr. Letterman.

Mr. LETTERMAN. You may have laughed, but I will tell you, I think they should be thrown out of their parking places, out of the office and everything else until they learn to write responsibly. I will tell you what: All of you sit here and you laugh at what has happened, but when you go home and your constituents have read a bunch of trash that a bunch of nuts sit down and put up every week and put in the papers and we continue to put up with, Joe Zeller is absolutely right. We should not be putting up with it, and it is time our leadership does something about it. I am sick and tired of it every time you turn around, because they take things out of context; they never put it in the paper right; it is never right. And what do you do? You sit around and you laugh because the guy is really serious. You had better get serious about it yourself.

I just read that a little bit ago, and I will tell you, that is really sickening; it is really absolutely sickening. They know; they had the records. They know exactly where it came from. They know who spent the money. I went and asked my leadership for the \$1,194. They said, "I'm sorry, Russ; I don't know anything about it." And I am glad they told me that.

I just think it is about time that either they become responsible or we quit giving them the vital space that is supposed to be ours in the first place in this House of Representatives. I think the office should belong to the men of this body. It is a lot of good space. There are a lot of people, I think, in this body who deserve a better office to work out of and better help. I believe that we are giving space to a lot of darn hot air that we just should not be giving it to, and it is about time that someone takes them to task for what they are writing. Thank you.

The SPEAKER. The Chair recognizes the lady from Susquehanna, Miss Sirianni.

Miss SIRIANNI. Mr. Speaker, I do not think the members were laughing at him; I think they were cheering him for saying what he was. Maybe we sounded happy, but I do not think we were laughing at him. Maybe we were laughing with him.

I think we ought to suspend the rules of this House and let the press try to rebut that. That would be kind of interesting.

The SPEAKER. In response to the suggestion of the lady, the Chair would suggest that the members of the

Fourth Estate have ample opportunity to write a letter of apology to this House, and we will be very happy to have it read on the floor of the House and inserted into the record.

The Chair recognizes the gentleman from Lehigh, Mr. Zeller.

Mr. ZELLER. Mr. Speaker, I would not want to let the House here think that they are completely in other words, at fault here. We have some members who have aided and abetted the conditions that exist over there, and I can quote, and I can say this without mentioning names right now, and later it will be brought out. I can tell you the fact of a member who went to an employe of this House in regard to the case last year and tried to get this individual to talk and give them security of a job here if they would say a word about me that was wrong. That happened, and that will be brought out before I leave this House of Representatives. I will guarantee you that.

CALENDAR

BILL ON THIRD CONSIDERATION

The House proceeded to third consideration of **SB 881, PN 1005**, entitled:

An Act amending the act of January 22, 1968 (P. L. 42, No. 8), entitled, "Pennsylvania Urban Mass Transportation Assistance Law of 1967," further providing for definitions and program authorizations, making an editorial change, further providing for intergovernmental cooperation and making certain transfers and repeals.

On the question,

Will the House agree to the bill on third consideration?

SB 881 RECOMMITTED

The SPEAKER. The Chair recognizes the majority leader.

Mr. RYAN. Mr. Speaker, I move that SB 881 be recommitted to the Committee on Transportation.

On the question,

Will the House agree to the motion?

Motion was agreed to.

BILLS AND RESOLUTION PASSED OVER

The SPEAKER. Without objection, all remaining bills and the resolution on today's calendar will be passed over.

The Chair hears no objection.

HOUSE SCHEDULE

The SPEAKER. The Chair recognizes the majority leader.

Mr. RYAN. Mr. Speaker, there will be no further votes today. Sit down a minute. The caucus chairmen will receive from my office today a schedule for the next several months. We will attempt to accommodate the Appropriations Committee with their budget hearings. We believe we have a schedule worked out. The final schedule will be mailed to you through your respective caucus leaders.

I will tell you now, though, that we are planning on not being in session the week of February 17; that is Washington's Birthday and Ash Wednesday. There will be budget hearings that full week. There will be 5 days of budget hearings beginning on the 18th. We will post you on the balance of the budget hearings and our schedule probably within a week.

REMARKS ON VOTES

The SPEAKER. The Chair recognizes the majority whip. For what purpose does the gentleman rise?

Mr. S. E. HAYES. Mr. Speaker, when Mr. Smith made his motion to reconsider the vote by which HB 538 failed, my new voting switch was not operative at that moment. I would like the record to show that I would have voted in favor of reconsidering that vote. Thank you, Mr. Speaker.

The SPEAKER. The gentleman's remarks will be spread upon the record.

The Chair recognizes the gentleman from Allegheny, Mr. Grabowski. For what purpose does the gentleman rise?

Mr. GRABOWSKI. Mr. Speaker, this morning I inadvertently voted in the negative on HR 157. I would like to be recorded in the affirmative.

The SPEAKER. The gentleman's remarks will be spread upon the record.

Does the majority leader have any further business?

The Chair recognizes the majority leader.

Mr. RYAN. Mr. Speaker, I have two simple motions. One, I would move that HB 2044 be placed on the table.

The SPEAKER. For the information of the gentleman, that has already been taken care of.

Mr. RYAN. That has been done? And could the Speaker advise me if HB 1716 has been recommitted to the Education Committee?

The SPEAKER. Yes. The Chair took care of that.

Mr. RYAN. Thank you, sir.

ADJOURNMENT

The SPEAKER. The Chair recognizes the gentleman from Delaware, Mr. Earley.

Mr. EARLEY. Mr. Speaker, I move that this House do now adjourn until Monday, February 11, 1980, at 1 p.m., e.s.t.

On the question,

Will the House agree to the motion?

Motion was agreed to, and at 3:34 p.m., e.s.t., the House adjourned.