

ity and a sound economy. Reckless Democratic innuendo such as that mentioned at the opening of my remarks, implying excessive Republican taxation, is in the same category as the "big lie" technique—if you make a lie big enough and repeat it often enough it may be believed. Whereas the tax burden in the last 7 years has actually been lightened, by quoting statistics out of proper context, some Democrats would try to delude the public into believing just the opposite. Where the President cries for fiscal responsibility, they would buy the people's votes with the people's own money and then charge waste.

The story of this administration's struggle and, yes, considerable success, should be told and told again.

In spite of continuous harassment, the President with the support of the Republicans and a few thinking Democrats in Congress, has brought about fiscal integrity, a balanced budget and substantial tax cuts. It is a great achievement. And when the facts are known through the length and breadth of this land, those who spread falsehood about the President's achievement will be treated with the contempt they deserve.

(Mr. OSMERS (at the request of Mr. BROOMFIELD) was given permission to extend his remarks at this point in the RECORD.)

Mr. OSMERS, Mr. Speaker, H.R. 9996 has as its purpose a change in the procedures which permit foreign excess properties which are disposed of overseas to enter the United States for sale. Mr. Chairman, I am opposed to H.R. 9996 primarily for the reason that no Member here today has been able to prove that there exists any real need for this legislation. Several statements have been made with respect to the viewpoints of affected industries. In order to clarify the position of two industries, I would like to place in the RECORD at this point a paragraph from a letter dated June 22, 1960, received by me from Joseph T. King, Esq., Washington counsel for the Associated Equipment Distributors. Mr. King's letter states:

Industries, including ours, object to the bill because the language "undue loss of production or employment" is so vague that the Secretary of Commerce could not make a determination of the impact of any given quantity of goods brought back into the United States until after the damage was done. For an industry to prove or for the Secretary of Commerce to determine that the importation of 10, 100, or 1,000 units would result in an "undue loss of production or employment" in the particular industry is an impossibility. Assuming all other economic factors to be constant, such a fact could only be determined after production or employment has been affected.

And now, Mr. Speaker, I would like to place in the RECORD a paragraph from another letter, dated June 17, 1960, received by me from Henry Lavin, chairman of the legislative committee of the Electronic Representatives Association. Mr. Lavin says:

We cannot help but feel that H.R. 9996, in any form, will needlessly compound the difficulties already caused by domestically generated surplus, to say nothing of the impact of goods made by Japanese and other

foreign manufacturers. Beyond this, we are compelled to doubt the ability of the Department of Commerce to determine in advance, whether or not a given shipment of surplus merchandise will cause undue loss of production and/or employment, even in a specific industry. Certainly economic damage can be measured once it occurs, but an advance determination of such harm seems to us to be a difficult task at best.

Mr. Speaker, this bill is simply not in the best interest of American industry and labor and should not be adopted.

#### GENERAL LEAVE TO EXTEND REMARKS

Mr. WOLF. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the Teddy Roosevelt Memorial bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

(Mr. RANDALL asked and was given permission to extend his remarks at this point in the RECORD.)

[Mr. RANDALL'S remarks will appear hereafter in the Appendix.]

(Mr. SCHERER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

[Mr. SCHERER'S remarks will appear hereafter in the Appendix.]

(Mr. SCHERER asked and was given permission to extend his remarks at this point in the RECORD, and to include extraneous matter.)

[Mr. SCHERER'S remarks will appear hereafter in the Appendix.]

#### MINIMUM WAGE BILL

(Mr. PERKINS asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. PERKINS. Mr. Speaker, I rise for the purpose of highly commending and congratulating the gentleman from California [Mr. ROOSEVELT] for the fairness, reasonableness, and understanding he has demonstrated during the past months in order to get a carefully thought-out minimum wage bill before this body. In my many years of service in the House of Representatives I have truthfully never been as impressed as I have been with the efforts and hard work of Mr. Roosevelt. He not only knew the subject at hand, but he also has shown a remarkable degree of patience and desire to be objective. He has also demonstrated the rare quality to listen to all arguments with seriousness and objectivity.

In rising to pay tribute to my colleague, I want to state I supported the committee bill. It was a moderate, well-thought-out proposal based on lengthy hearings and subsequent work by the Subcommittee on Labor Standards and

the full Education and Labor Committee. Thus it had not been presented to this body in haste.

The committee bill was much better because I believe it would be patently unfair to ask newly covered workers to work unlimited hours without protection from overtime and give such protection, now in the law, to those presently covered.

Mr. Speaker, I also wish to stress the fact that, contrary to misleading statements by self-serving groups, the Roosevelt bill did not bring under its coverage the independent or small business enterprise.

Mr. Speaker, notwithstanding the fact that the Roosevelt proposal was voted down on a close vote yesterday, the gentleman from California made an excellent presentation and explanation of his bill.

#### THE LATE ALBERT E. REITZEL

(Mr. BOSCH asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. BOSCH. Mr. Speaker, the United States has lost a great citizen. I refer to Albert E. Reitzel who served our Nation from 1923 until his retirement in 1955. Even after his retirement, he continued to serve; the committees of Congress had his valuable counsel and knew that he was always available for consultation in the field of immigration law and problems, a field in which he qualified as an expert in every sense of the word. The yeoman work he did in this field will always be a memorial to his life and career.

Mr. Reitzel in March of this year wrote an article for the Steuben News, official publication of the Steuben Society of America of which he was a member, which is one of the clearest explanations of immigration law, procedures, and problems that I have ever read. Our distinguished colleague from Pennsylvania [Mr. WALTER] saw fit to insert a goodly portion of the aforesaid analysis in the RECORD and thus preserved it for posterity.

To the family and friends of Albert E. Reitzel I extend my deepest sympathy in their bereavement.

#### THE LATE JOHN O'GRADY, U.S. CONSUL IN BRISBANE, AUSTRALIA

(Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks at this point in the RECORD and include extraneous matter.)

Mrs. ROGERS of Massachusetts. Mr. Speaker, I have the honor to present herewith an editorial from the Greensboro Record of Greensboro, N.C., written by Mr. Bruce Jolly, the Washington correspondent for the Greensboro, N.C., Daily News. This excellently written editorial by Mr. Bruce Jolly relates to the recent death in an airplane accident of Mr. John O'Grady, the U.S. consul in Brisbane, Australia.

Mr. O'Grady was a native of my home city of Lowell, Mass. In Lowell, he received his early education and later he chose as a career the U.S. State Department. His work in the State Department

and in representing the United States abroad was distinguished by the force and energy and determination he used in his effort to excellently present the United States to the people of the country to which he was accredited. I am proud Mr. O'Grady was a native of Lowell, Mass. In Lowell he had many friends and relatives, all of whom are shocked to learn of his untimely death.

Following is the very fine editorial by Mr. Bruce Jolly:

(By Bruce Jolly)

WASHINGTON.—To most people, the name John O'Grady meant nothing. With the exception of a privileged few, those who were his colleagues in the Department of State and those who knew him as a friend, his name in recent headlines announcing the crash of an Australian airliner that cost his life and all others aboard probably brought only a passing moment of regret.

But big, freckled John O'Grady, with his ready grin and agile mind, personified the best in U.S. representatives abroad who are completely devoted to their duties, and who sacrifice themselves in the ever-increasing battle of presenting the United States in its best light.

O'Grady was U.S. consul in Brisbane. He was a State Department career man who loved his job in part because he loved people.

#### MINUTE PREPARATIONS

Before he left for Australia, John O'Grady weighed every move that he might make so that, when he arrived, he would be in a position to show the Nation at its best.

When it came to purchasing an automobile for use in Australia, he rejected tempting buys of foreign cars at half the price he had to pay to purchase an especially made U.S. car with a right-hand drive—a requisite in that country.

He did so because he was convinced that it would reflect on the United States if he, as a U.S. representative, were to drive a foreign-made car.

For hours, John O'Grady listened to recordings of great American orchestras and to true folksongs. He wanted to take with him the best and most representative presentations of the country's truly great musical attainments, for he knew that in too many instances this Nation's cultural capacities are suspected.

He worked with his family so his children would be familiar with the area to which they were being sent, and not be caught short on their knowledge of Australian geography and the virtue of cricket.

He did these things because he had the background and experience that indicated the need for them. It was this same John O'Grady who, when in Greece, arduously learned that country's folk dances, and performed them with the lumbering grace of a once star athlete from his native Lowell, Mass., to the delight and applause of his foreign friends.

#### DEATH IN A FOG

John O'Grady died in a plane that crashed into an Australian bay during a fog. The plane was only a short distance, as distance is measured airwise, from the field for which it was headed. There were 34 people on the plane. None survived.

O'Grady was the rule, rather than the exception. There are others by the scores who are doing the same kind of job, operating in midechelon positions, behind the headlines, going generally unsung.

To a certain extent, it is they who carry the brunt of the U.S. errors that are made by fourths and by the Nation's military representatives. It is they who must justify and attempt to explain the bitterness and the prejudice that all too frequently occur in a nation that stands as a symbol of friend-

liness and freedom to a large part of the world. It is they who must point out the diversities in Congress that freedom of selection brings, and guide those in foreign countries to judge by the whole product rather than the spoutings of the few.

Perhaps that is the real tragedy in the death of career men like John O'Grady. Today, he represents the kind of men the Nation needs. There are many of them, but there still aren't enough.

(Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks at this point in the Record, and include extraneous matter.)

(Mrs. ROGERS of Massachusetts' remarks will appear hereafter in the Appendix.)

### COMMITTEE ON GOVERNMENT OPERATIONS

Mr. MONAGAN. Mr. Speaker, I ask unanimous consent that the Committee on Government Operations be given permission to file three reports up until midnight, Saturday, July 2. The reports are entitled, first, "Civil Defense Shelter Policy and Postattack Recovery Planning"; second, "Personnel Practices and Procedures in the Internal Revenue Service—Des Moines, Iowa, District Office"; third, "Federal Home Loan Bank Board Seizure of Long Beach Federal Savings and Loan Association."

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

### CORRECTION OF RECORD

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to correct the Record of last Friday in the upper left page where I made the statement in substance:

The gentleman claims to be a gentleman.

What I said was:

I do not claim to be a gentleman.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

### CORRECTION OF ROLL CALL

Mr. DULSKI. Mr. Speaker, on roll call No. 164 I am recorded as not being present. I was in the Chamber and answered to my name, and I ask unanimous consent that the Record be corrected accordingly.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

### NATIONAL SERVICES LIFE INSURANCE

(Mr. LEVERING asked and was given permission to extend his remarks at this point in the Record.)

Mr. LEVERING. Mr. Speaker, during the general debate on Wednesday, June 29, in consideration of H.R. 11405, with Senate amendments, the chairman of the House Veterans' Affairs Commit-

tee asked unanimous consent to take the bill from the Speaker's table for immediate consideration. The amendment permits the application of any person originally eligible to apply for national service life insurance to make a new application within 1 year after January 1, 1961, upon the submission of evidence of good health at the time of such application, and the payment of the required premiums.

It developed there was objection from the gentleman from California, a member of the House Veterans' Affairs Committee [Mr. SMITH].

At page 13,932 of the Record, a member of the Insurance Subcommittee stated that the subcommittee studied the legislation "at great length" and "unanimously turned it down."

Mr. Speaker, I rise, as a member of that subcommittee, to make this statement in order to prevent any possible inference that I was against the reopening of national service life insurance. There was no action of the subcommittee that "turned down" anything. There was a motion to defer action at the time because of statements by staff counsel that Senator LONG's amendment would be proposed; and to await developments in the Senate. Because of use of the words "unanimously turned down" by the gentleman from California [Mr. SMITH], it could be interpreted that I was opposed to the reopening. Instead I wish to state that I am in favor of reopening national service life insurance, because it is only fair that this old right be revived as to those who, because of some hardship, had to drop this insurance in years past. This reopening is not a handout or a giveaway. It is not even a Government subsidy. This reopening cannot injure private insurance companies because there is no expansion of any rights but only the reinstatement of an old right. I sincerely hope the House has the opportunity to vote upon the granting of this right to reopen national service life insurance.

### CAPTIVE NATIONS WEEK

(Mr. DINGELL (at the request of Mr. DULSKI) was given permission to extend his remarks at this point in the Record.)

Mr. DINGELL. Mr. Speaker, the Captive Nations Week, which is being observed throughout the country during the third week of July, has become a significant and momentous week. The observance of this week serves as eloquent expression of our wholehearted sympathy for all peoples enslaved by the Kremlin's Communist tyranny.

The peoples of central, Eastern, and southeastern Europe, numbering about 100 million in all, were living freely in their historic homelands before the outbreak of the last war. They were doing their best in building democratic institutions in their respective countries, and thus were contributing considerably to the spread and strengthening of democratic forces in their countries. But the war and the catastrophic events succeeding that war, proved fatal to their freedom. By one blow, one might say, all of them were caught and trapped behind

the Iron Curtain, treacherously devised and effectively maintained by the Communists' totalitarianism. That is what makes the lot of numerous nations living between the Baltic and Black Sea so tragic, and their future so closely linked with that of the Soviet Union.

Since the end of the last war the people of this country, through their Government, have exerted tremendous forces with a view of relieving the misery and eventually assuring freedom to these peoples. Short of war, the Government of the United States working in cooperation with the governments of the free West, has done its utmost to have the Soviet Union to allow freedom to these peoples. Unfortunately, all these efforts have been of no avail, and today they are no more free than they were before we began to champion their righteous cause. But we have not given up hope, and we firmly believe that the captive nations of Europe will eventually regain their freedom. Until that day, the people of this country and their Government will continue to observe annually Captive Nations Week, so long as these peoples are denied the right of their becoming the masters of their destiny. On this day we once more dedicate ourselves to the task of freeing these enslaved peoples from Communist totalitarian tyranny.

#### THE FEDERAL MUTUAL SAVINGS BANK BILL

(Mr. MULTER (at the request of Mr. DULSKI) was given permission to extend his remarks at this point in the Record.)

Mr. MULTER. Mr. Speaker, our distinguished colleagues, the gentleman from Alabama [Mr. RAINES], the gentleman from Massachusetts [Mr. BURKE], the gentleman from Pennsylvania [Mr. BARRETT], the gentleman from Hawaii [Mr. INOUE], the gentleman from New York [Mr. FINO], and the gentleman from New York [Mr. HALPERN] have joined me today in introducing a bill to establish Federal mutual savings banks.

In order to carry out more effectively its responsibilities to the Nation for promoting maximum employment, production and purchasing power, the Congress must facilitate and encourage an increased flow of real savings to finance housing and other capital formation on a sustainable, noninflationary basis. These increased savings necessary to the security and welfare of the individual, as well as the Nation, should be provided within the private institutional framework of our competitive economy. The objective of increased capital formation through thrift can be advanced by the extension of the mutual savings bank system.

This bill therefore provides for the chartering of mutual savings banks by the Federal Government.

These new banks would be privately managed, federally supervised and insured institutions organized to supplement the efforts of State-chartered mutual savings banks. Like their State counterparts, these banks would specialize in the encouragement of thrift and

would channel savings for investment in private home financing, Government securities, redevelopment, and other capital formation. This bill is being introduced at the end of this session so that between now and the next session interested groups will have an opportunity for the careful study that this program merits.

Banking in the United States has in a sense emulated our Federal system of Government by evolving along two separate lines—State and National—and this dual banking system has, as much as any other single factor, contributed to the vitality of our financial institutions. We have State commercial banks and National commercial banks. We have Federal and State savings and loan associations. The dual chartering system extends to credit unions as well. Mutual savings banks alone exist as State institutions exclusively and then only in 17 States.

Mutual savings banks have a special appeal and a special skill in the encouragement of thrift which has been aptly demonstrated in States where these banks now exist. In those States, per capita holdings of thrift accounts generally are higher than in other States in the United States. The 17 mutual savings bank States are all included in the 25 States with the highest per capita holdings of thrift accounts. Denial of these thrift facilities to individuals in the 33 nonsavings bank States seems unwarranted—especially since both population and personal income are rising rapidly in these States and capital needs are greater than ever before.

Since mutual savings banks exist in only 17 States, it is probable that some general comments toward an explanation of mutual savings banks would be helpful.

Mutual savings banks are called mutual because they are organized without stockholders. The effect of this is that all earnings, after provision for adequate reserves, are distributed to depositors as interest on their deposits.

Traditionally, mutual banks have not accepted checking accounts and have not made commercial unsecured loans. Their sole function is to encourage thrift and to stimulate the flow of savings into productive investment.

Management is by boards of trustees. Members of these boards are generally prohibited by law and by the principles of trusteeship from commercial dealings with their bank. The organizers of the bank usually constitute the first board, which thereafter elects new members as vacancies occur. The board establishes bank policies, elects officers, determines interest rates, and supervises investments, all subject, however, to government regulation and examination.

First organized in the United States in 1816, mutual savings banks are the Nation's oldest type of thrift institution. They were formed originally by philanthropic, public-spirited men who saw a need for providing safe depositories for the savings of those people of moderate means whom the larger banks were not interested in serving.

The mutual savings bank industry has the finest record of safety to depositors of any type of banking industry in the history of this country. It has survived wars, depressions, bank panics, and the booms and busts of nearly a century and a half.

Though operating in only 17 States, these banks today serve over 22 million accounts and have more than \$35 billion on deposit. Although they are authorized to exercise diversified investment powers, they hold \$25 billion in mortgage loans and in the 14-year period since the end of World War II have invested a greater proportion of the funds available to them in mortgages than have any of the other major types of financial institutions. An estimated \$5 billion of these loans are on properties in States other than the States where mutual savings banks are located. For instance, there are no mutual savings banks in California, Michigan, or Georgia, but mutual savings banks hold well over \$1 billion in loans to California homeowners, about \$300 million to Michigan homeowners, and over \$200 million to Georgia homeowners. This kind of record should suggest to us what can be done for thrift and home financing by extending these banks to all 50 States.

Following is a section-by-section analysis of my bill H.R. 12913:

#### SECTION 1. TITLE

The bill is entitled the "Federal Mutual Savings Bank Act."

#### SECTION 2. DECLARATION OF POLICY

The legislative purpose of establishing a system of Federal mutual savings banks is to promote thrift and utilize the accumulation of thrift deposits for home financing and other investments.

#### SECTION 3. DEFINITIONS

Certain terms, such as "financial institution" and "thrift institution," which have a special significance in the act, are defined in this section. "Financial institution" includes a "thrift institution" and also commercial banks, trust companies, and insurance companies. "Thrift institution" includes State-chartered mutual savings banks, cooperative banks, homestead associations, and mutual savings (building) and loan associations, and Federal mutual banks.

#### SECTION 4. THE FEDERAL MUTUAL SAVINGS BANK COMMISSION

This new independent Government agency would consist of three members appointed by the President for staggered terms of 6 years. The Commission would supervise the chartering of Federal mutual savings banks and their subsequent operation. Each member would be required to devote his entire time to the business of the Commission and would be prohibited during his term of office from serving in any capacity in any financial institution. No more than two members of the Commission could belong to the same political party at the time of appointment.

#### SECTION 5. COMMISSION POWERS

The Commission would be empowered by this section to adopt and amend rules and regulations for its own operation and for the operations of member banks of the system. This section contains a general grant of power and is further supplemented throughout the bill by various specific powers.

#### SECTION 6. CHARTERING OF MUTUAL BANKS

Application for a Federal mutual savings bank charter would be required to be sub-

scribed to by 5 signatories from a minimum of 21 incorporators. This minimum would not apply in the case of the conversion of a pre-existing thrift institution. The Commission would be empowered to grant a charter after finding that a Federal mutual savings bank would serve a useful purpose in the community, that there was reasonable expectation of its success, and that its operation would not unduly injure existing thrift institutions. All Federal mutual savings banks would be required to include the words "Federal," "mutual," and "savings" in their title. Federal mutual savings banks would be permitted but not required to become members of the Federal Home Loan Bank System.

#### SECTION 7. CORPORATORS

The ultimate authority in a Federal mutual savings bank would be the board of corporators. Corporators would be divided into three classes of equal size and would be elected for staggered terms of 10 years. The Commission would be empowered to prescribe standards of conduct for corporators. The Board would not be charged with the actual management of the bank; its principal function would be the election of the trustees.

#### SECTION 8. TRUSTEES

The board of trustees of a Federal mutual savings bank would be charged with the responsibility for policy management of the bank. Trustees would be elected from among the corporators for staggered terms of 3 years. No person acting as trustee of a Federal mutual savings bank would be allowed to hold office as a trustee, director, or officer of another thrift institution. Trustees would be prohibited from receiving any remuneration as a trustee except fees for attendance at meetings or for service as a member of a committee. Further, they would be prohibited from borrowing funds from the Federal mutual savings bank unless the loan were secured by the assignment of a deposit or share account in a thrift institution. Finally, these trustees would be prohibited from making any profit from any property sold to or services performed for the Federal mutual savings bank or in connection with any loan made by the Federal mutual savings bank. The Commission would be empowered, in equitable circumstances, to make exceptions from the restrictions on trustees.

#### SECTION 9. COMMENCEMENT OF OPERATION

No Federal mutual savings bank would be permitted to commence operations until it had qualified as an insured bank under the Federal Deposit Insurance Act. No Federal mutual savings bank would be permitted to continue operations if it should at any time cease to be so qualified. Prior to commencement of operations, an expense fund would be required to be advanced in cash to the credit of the Federal mutual savings bank. Contributions to this expense fund would be evidenced by deferred payment certificates, which could be repaid in such installments and at such interest as the Commission approved. The expense fund would be available for the payment of operating expenses until such expenses could be paid out of the bank's earnings.

#### SECTION 10. RESERVE FUND

In addition to the expense fund which would be utilized for operating expenses of the Federal mutual savings bank, a reserve fund would be required to be advanced in cash to the credit of a Federal mutual savings bank and would be available for the sole purpose of meeting losses. The minimum amount of the initial reserve fund would be \$50,000. The actual size of the reserve fund would depend on Commission standards and also on the requirements of the Federal Deposit Insurance Corporation. Each Federal mutual savings bank would be required to add to this reserve fund out of net earnings

whenever the reserve fund did not equal 12 percent of deposit liabilities. Sums advanced to the initial reserve fund would be evidenced by deferred payment certificates and would be repayable in such installments and at such interest as the Commission provided.

#### SECTION 11. BORROWING

A Federal mutual savings bank would be empowered to borrow funds subject to Commission regulation.

#### SECTION 12. DEPOSITS

A Federal mutual savings bank could accept any savings deposit, could reject sums offered for deposit, could repay deposits at any time, and could classify and differentiate among deposits on such bases as it determined. Interest on deposits could be paid from net earnings and undivided profits. A Federal mutual savings bank would be empowered to require advance notice of withdrawal.

#### SECTION 13. INVESTMENTS

A Federal mutual savings bank would be empowered to invest in Government, State, and local obligations, obligations of agencies of the United States and the States, Canadian obligations, title I notes, in conventional mortgages subject to certain restrictions such as loan-to-value limitations and total aggregate investment, insured mortgages, and secured promissory notes. Corporate securities investment would also be subject to certain restrictions, such as minimum maturity and total aggregate investment.

In addition to the investment powers specifically set forth, the Commission would be empowered, by regulation, to grant Federal mutual savings banks authority to make further investments, but the Commission would not be empowered to restrict investment powers to limits more stringent than those set forth in the bill. The types of investment specifically mentioned in the bill, therefore, represent a minimum grant of power.

#### SECTION 14. BRANCHES

With the approval of the Commission, a Federal mutual savings bank could establish one or more branches in the State of its principal office, but only to the same extent that any State-chartered financial institution accepting funds from savers was authorized to establish branches. Before approving any branch application the Commission would be required to make the same findings as provided for in the case of a charter application. Branches and offices operated as of conversion, merger, or consolidation could be continued in operation. Rights to branches or offices could also be retained.

#### SECTION 15. CONVERSION

Any thrift institution could convert itself into a Federal mutual savings bank provided that such conversion was in accord with the laws under which the converting thrift institution was organized and providing also that the Commission approved. Before approving any such conversion, the Commission would be required to find that the institution seeking conversion had the ability to discharge the duties and to conform to the restrictions upon Federal mutual savings banks and had previously so conformed to the extent required by the Commission. The institution would be empowered to retain and service all accounts lawfully held by it on the date of its conversion. Federal mutual savings banks would be empowered to convert into any type of thrift institution, but such conversion would be subject to approval of any regulatory authority having jurisdiction over the type of thrift institution into which the Federal mutual savings bank sought to convert. Federal mutual savings banks would not be permitted to convert unless the State laws applicable to the thrift institution into which the Federal mutual savings bank ought to convert per-

mitted reciprocal conversions to Federal mutual savings banks without approval by any State authority. The approval of the Commission would not be required for the conversion of a Federal mutual savings bank into another type of thrift institution.

#### SECTION 16. MERGER AND CONSOLIDATION

Any two or more Federal mutual savings banks or any one or more Federal mutual savings banks and one or more State-chartered mutual savings banks would be permitted to merge or consolidate. The approval of the Commission would be required where the surviving or consolidated institution was to be a Federal mutual savings bank and the approval of the appropriate State authority would be required where the surviving or consolidated institution was to be a State-chartered mutual savings bank. However, no Federal mutual savings bank would be permitted to merge or consolidate when the surviving or consolidated institution was to be a State-chartered mutual unless under the law of the State in which the Federal mutual savings bank was located, State-chartered mutual savings banks could participate in mergers or consolidations without approval by State authority when the surviving or consolidated institution was to be a Federal mutual savings bank.

#### SECTION 17. GENERAL POWERS

Federal mutual savings banks would be granted certain operational powers and incidental powers appropriate to the achievement of the objects and purposes of a Federal mutual savings bank. Further, a Federal mutual savings bank would have the authority to exercise all the powers possessed now or hereafter by any State-chartered mutual savings bank chartered by the State in which the Federal mutual savings bank was located. A Federal mutual savings bank would also have the authority to exercise powers defined by the Commission as generally possessed now or hereafter by State-chartered mutual savings banks.

#### SECTION 18. ANNUAL REPORT

The Commission would be required to submit an annual report to the President for transmission to the Congress.

#### SECTION 19. EXAMINATION

The Commission would be required to conduct an annual examination of each Federal mutual savings bank provided that the Commission could accept for any year in lieu of such examination an examination by the Federal Deposit Insurance Corporation.

#### SECTION 20. TAXATION

No State, territorial, county, municipal, or local taxing authority would be permitted to impose any tax on Federal mutual savings banks greater than that imposed by such taxing authority on other similar local mutual or cooperative thrift and home financing institutions.

#### SECTION 21. AUTHORITY TO APPOINT CONSERVATORS AND RECEIVERS

The Commission would be empowered to take possession of a Federal mutual savings bank and appoint a conservator or receiver whenever it appeared that such Federal mutual savings bank: (1) Had violated any provision of the act; (2) was conducting its business in an unauthorized, unsound, or unsafe manner; (3) was in an unsound or unsafe condition to transact its business; (4) had neglected or refused upon proper demand to comply with the terms of any order, rule, or regulation of the Commission; (5) had refused to submit its records and affairs for inspection by the Commission or the Federal Deposit Insurance Corporation. If the Commission determined to appoint a receiver it could only appoint the Federal Deposit Insurance Corporation. In the event the Commission took possession of a Federal mutual savings bank, any officer of such Federal mutual savings bank would