tices exist and to determine if a civil action to halt those practices should be brought. H.R. 13489 expands this procedure to permit the Justice Department to serve investigative demands on individuals—instead of, as before, only on corporations, partnerships, and other nonnatural persons.

The expansion of the investigative demand practice to include individuals raises some problems. People, unlike corporations, have fifth amendment rights. In order for an individual to challenge the propriety or constitutionality of an investigative demand, he or she needs to know specifically what material the demand covers. For this reason I offered in the Judiciary Committee an amendment that added the words "in appropriate detail" to section 3(b)(1). This amendment requires the Justice Department in its investigative demand state specifically the conduct constituting the alleged antitrust violation. It would therefore enable an individual to determine whether the demand infringes on constitutional or other rights.

I am pleased that the Judiciary Committee adopted my amendment and that it is included in the present bill.

While strict enforcement of the antitrust laws is necessary to insure vigorous competition, low prices for the consumer and high quality products, there is no reason why we cannot achieve this objective and protect civil liberties at the same time.

I urge adoption of the bill.

Mr. HUTCHINSON. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. SEIBERLING) that the House suspend the rules and pass the bill H.R. 13489, as amended.

The question was taken.

Mr. ASHBROOK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this vote will be postponed.

GENERAL LEAVE

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the legislation just under consideration.

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

There was no objection.

ANTITRUST PREMERGER NOTIFICATION ACT

Mr. HUGHES. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 14580) to amend the Clayton Act to provide for premerger notification and waiting requirements, and for other purposes, as amended.

The Clerk read as follows:

H.R. 14580

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Antitrust Premerger Notification Act".

NOTIFICATION AND WAITING PERIOD

SEC. 2. The Clayton Act (15 U.S.C. 12 et seq.) is amended by inserting immediately after section 7 of such Act the following new section:

"SEC. 7A. (a) Except as exempted pursuant to subsection (c), no corporation shall acquire, directly or indirectly, any voting securities or assets of any other corporation, unless each such corporation (or in the case of a tender offer, the acquiring corporation) files notification pursuant to rules under subsection (d)(1) and the waiting period described in subsection (b)(1) has expired, if—

"(1) the acquiring corporation or the corporation, any voting securities or assets of which are being acquired, is engaged in commerce or in any activity affecting commerce;

"(2)(A) any voting securities or assets of a manufacturing corporation which has annual net sales or total assets of $10,000,000 or more are being acquired by a corporation which has total assets or annual net sales of $100,000,000 or more;

"(B) any voting securities or assets of a nonmanufacturing corporation which has total assets of $10,000,000 or more are being acquired by a corporation which has total assets or annual net sales of $100,000,000 or more; or

"(C) any voting securities or assets of a corporation with annual net sales or total assets of $100,000,000 or more are being acquired by a corporation with total assets or annual net sales of $10,000,000 or more; and

"(3) as a result of such acquisition, the acquiring corporation would hold—

"(A) 25 per centum or more of the voting securities or assets of the acquired corporation, or

"(B) an aggregate total amount of the voting securities and assets of the acquired corporation in excess of $20,000,000.

"(b)(1) The waiting period under subsection (a) shall—

"(A) begin on the date of the receipt by the Federal Trade Commission and the Assistant Attorney General of the completed notification required under subsection (a) and, if such notification is not completed, the reasons therefor; and

"(B) end on the thirtieth day after the date of such receipt or on such later date as may be set under subsection (e) or (g)(2), except that in the case of cash tender offers, such period shall end on the twenty-first day after the date of such receipt, or on such later date as may be set under subsection (e)(2)(B).

"(2) The Federal Trade Commission and the Assistant Attorney General may, in individual cases, terminate the waiting period specified in paragraph (1) and allow any corporation to proceed with any acquisition subject to this section by publishing in the Federal Register a notice that neither intends to take any action within such period with respect to such acquisition.

"(3) As used in this section—

"(A) The term 'Assistant Attorney General' means the Assistant Attorney General in charge of the Antitrust Division of the Department of Justice.

"(B) The term 'voting securities' means any stock or other share capital presently entitling the owner or holder thereof to vote for the election of directors of a corporation.

"(4) The amount or percentage of voting securities or assets of one corporation which are acquired or held by another corporation shall be determined by aggregating the amount or percentage of such voting securities or assets held or acquired by the acquiring corporation and each affiliate thereof. For purposes of this paragraph, the term 'affiliate' means any person who controls, is controlled by, or is under common control with, a corporation.

"(5) The conversion of stock or other share capital which are not voting securities into stock or other share capital which are voting securities shall be deemed an acquisition for purposes of this section.

"(c) The following classes of transactions are exempt from the requirements of this section—

"(1) acquisitions of goods or realty transferred in the ordinary course of business;

"(2) acquisitions of bonds, mortgages, deeds of trust, or other obligations which are not voting securities;

"(3) acquisitions of voting securities or assets of a corporation with respect to which the acquiring corporation owns more than 50 per centum of such voting securities or assets prior to such acquisition;

"(4) transfers to or from a Federal agency or a State or political subdivision thereof;

"(5) transactions specifically exempted from the antitrust laws by law or by actions of any Federal agency authorized by law, if copies of any information and documentary material filed with any such agency are contemporaneously filed with the Federal Trade Commission and the Assistant Attorney General;

"(6) transactions which require agency approval under section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)), or section 3 of the Bank Holding Company Act of 1956 (12 U.S.C. 1842);

"(7) transactions which require agency approval under section 4 of the Bank Holding Company Act of 1956 (12 U.S.C. 1843), section 403 or 408(e) of the National Housing Act (12 U.S.C. 1726 and 1730a), or section 5 of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464), if copies of any information and documentary material filed with any such agency are contemporaneously filed with the Federal Trade Commission and the Assistant Attorney General;

"(8) acquisitions, solely for the purpose of investment, of voting securities if, as a result of such acquisition, the voting securities acquired or held do not exceed either 10 per centum of the outstanding voting securities of the issuing corporation or such greater per centum as may be provided by the Federal Trade Commission under subsection (d)(2)(C);

"(9) acquisitions of voting securities issued by any corporation if, as a result of such acquisition, the voting securities acquired would not increase, directly or indirectly, the acquiring corporation's share of outstanding voting securities of the issuing corporation;

"(10) acquisitions, solely for the purpose of investment, of voting securities pursuant to a plan of reorganization or dissolution, or of assets, by any bank, banking association, trust company, investment company, or insurance company, in the ordinary course of its business;

"(11) acquisitions of voting securities by any bank trust department, trust company, or other entity, if such department, trust company, or entity is acting in the capacity of a trustee, executor, guardian, conservator, or otherwise as a fiduciary, and is voting or investing such voting securities for the benefit of another person or entity, except that any such beneficiary shall not be exempt by virtue of this paragraph from the requirements of this section; and

"(12) such other acquisitions, transfers, or transactions, as may be exempted by the Federal Trade Commission under subsection (d)(2)(B).

"(d) The Federal Trade Commission, with the concurrence of the Assistant Attorney General and by rule in accordance with section 553 of title 5, United States Code—

"(1) shall require that the notification required under subsection (a) be in such form and contain such documentary material rele-

vant to a proposed acquisition as is necessary and appropriate to enable the Federal Trade Commission and the Assistant Attorney General to determine whether such acquisition may violate the antitrust laws; and

"(2) may—

"(A) define the term used in this section;

"(B) exempt classes of corporations and acquisitions, transfers, or transactions which are not likely to violate section 7 of this Act from the requirements of this section;

"(C) increase the percentage amount specified in subsection (c)(8); and

"(D) prescribe such other rules as may be necessary and appropriate to carry out the purposes of this section.

"(e)(1) The Federal Trade Commission or the Assistant Attorney General may, prior to the expiration of the 30-day waiting period, or in the case of cash tender offers, the 21-day waiting period, specified in subsection (b)(1) of this section, require the submission of additional information or documentary material relevant to an acquisition by any corporation subject to this section, or by any officer, director, agent, or employee of such corporation.

"(2)(A) Except as provided in subparagraph (B) with respect to cash tender offers, the Federal Trade Commission or the Assistant Attorney General may, in its or his discretion, extend the 30-day waiting period specified in subsection (b)(1) of this section for an additional period of not more than 20 days after the date on which the Federal Trade Commission or the Assistant Attorney General, as the case may be, receives (i) all the information or documentary material submitted pursuant to a request under paragraph (1) of this subsection, and (ii) if such request is not fully complied with, a certification of the reasons for such noncompliance. Such additional period may be further extended only by the United States district court, upon an application by the Federal Trade Commission or the Assistant Attorney General pursuant to subsection (g)(2).

"(B) With respect to cash tender offers, the United States district court may, upon application of the Federal Trade Commission or the Assistant Attorney General—

"(i) extend the 21-day waiting period specified in subsection (b)(1) of this section until there is substantial compliance with a request under paragraph (1) of this subsection, and

"(ii) grant such other equitable relief as the court in its discretion determines necessary.

if the court determines that the Federal Trade Commission or the Assistant Attorney General requested the submission of additional information or documentary material pursuant to subsection (e)(1) within 15 days after the date of receipt of the original notification required under subsection (a) and such request was not substantially complied with within the 21-day waiting period specified in subsection (b)(1).

"(f) If a proceeding is instituted by the Federal Trade Commission alleging that a proposed acquisition violates section 7 of this Act, or an action is filed by the United States, alleging that a proposed acquisition violates such section 7, or section 1 or 2 of the Sherman Act, and the Commission or the Assistant Attorney General files a motion for a preliminary injunction against the consummation of such proposed acquisition, together with a certification that it or he believes that the public interest requires relief pendente lite, in the United States district court for the judicial district in which the respondent resides or does business in the case of the Federal Trade Commission, or in which such action is brought in the case of the Assistant Attorney General—

"(1) upon the filing of such motion, the chief judge of such district court shall immediately notify the chief judge of the United States court of appeals for the circuit in which such court is located, who shall designate a United States district judge to whom such action shall be assigned for all purposes; and

"(2) the motion for a preliminary injunction shall be set down for hearing by the district judge so designated at the earliest practicable time, shall take precedence over all matters except older matters of the same character and trials pursuant to section 3161 of title 18, United States Code, and shall be in every way expedited.

"(g)(1) Any corporation or any officer or director thereof who fails to comply with any provision of this section shall be liable to the United States for a civil penalty of not more than $10,000 for each day during which such corporation, directly or indirectly, holds any voting securities or assets, in violation of this section. Such penalty may be recovered in a civil action brought by the United States.

"(2) If any corporation or officer, director, agent, or employee thereof fails to substantially comply with the notification requirement of subsection (a) or any request for the submission of additional information or documentary material under subsection (e)(1) of this section within the waiting period specified in subsection (b)(1) and as may be extended under subsection (e), the United States district court shall have jurisdiction to—

"(A) order compliance;

"(B) extend the 30-day waiting period specified in subsection (b)(1) and as may have been extended under subsection (e) until there has been substantial compliance; and

"(C) grant such other equitable relief as the court in its discretion determines necessary,

upon application of the Federal Trade Commission or the Assistant Attorney General.

"(h) Any information or documentary material filed with the Assistant Attorney General or the Federal Trade Commission pursuant to this section shall be exempt from disclosure under section 552 of title 5, United States Code, and no such information or documentary material may be made public, except as may be required in any administrative or judicial action or proceeding.

"(i)(1) Failure of the Federal Trade Commission or the Assistant Attorney General to take any action under this section shall not bar the institution of any proceeding or action with respect to such acquisition at any time under any other section of this Act or any other provision of law.

"(2) Nothing contained in this section shall limit the authority of the Assistant Attorney General or the Federal Trade Commission to secure from any person documentary material, oral testimony, or other information under the Antitrust Civil Process Act, the Federal Trade Commission Act, or any other provision of law.

"(j) Beginning not later than January 1, 1978, the Federal Trade Commission, after consultation with the Assistant Attorney General, shall annually report to the Congress on the operation of this section. Such report shall include an assessment of the effects of this section, recommendations for any desirable revisions of this section, any rules promulgated under this section, any action taken under this section, and, in cases of acquisitions subject to this section against which the Assistant Attorney General or the Federal Trade Commission took no action under this section prior to the expiration of the waiting period specified in this section, a statement of the reasons for such failure to act.".

SHORT TITLES FOR SHERMAN ACT AND CLAYTON ACT

SEC. 3. (a) The Act entitled "An Act to protect trade and commerce against unlawful restraints and monopolies", approved July 2, 1890 (15 U.S.C. 1 et seq.), is amended by adding immediately after the enacting clause the following: "That this Act may be cited as the 'Sherman Act'.".

(b) The Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (15 U.S.C. 12 et seq.), is amended by—

(1) inserting "(a)" after "That" in the first section; and

(2) adding at the end of the first section the following new subsection:

"(b) This Act may be cited as the 'Clayton Act'.".

EFFECTIVE DATES

SEC. 4. (a) The amendment made by section 2 of this Act shall take effect 180 days after the date of enactment of this Act, except that subsections (d)(1) and (d)(2) of section 7A of the Clayton Act (as added by section 2 of this Act) shall take effect on the date of enactment of this Act.

(b) Section 3 of this Act shall take effect on the date of enactment of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. HUTCHINSON. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from New Jersey (Mr. HUGHES) will be recognized for 20 minutes, and the gentleman from Michigan (Mr. HUTCHINSON) will be recognized for 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. HUGHES).

Mr. HUGHES. Mr. Speaker, I yield 3 minutes to the distinguished chairman of the committee, the gentleman from New Jersey (Mr. RODINO).

Mr. RODINO. Mr. Speaker, H.R. 14580 is the culmination of almost 20 years of legislative effort to enact meaningful premerger notification and stay requirements. My learned predecessor, Chairman Celler, was one of the principal founders of our present merger law. He himself long sought to pass the bill we are now considering.

The problem this bill cures is startlingly simple, but it goes to the very foundations of our merger law. Under present law, companies need not give advance notification of a planned merger to the Federal Trade Commission and the Department of Justice. But if the merger is later judged to be anticompetitive, and divestiture is ordered, that remedy is usually a costly exercise in futility—untangling the merged assets and management of the two firms is like trying to unscramble an omelet.

The present law is an open invitation to let lawyers litigate this impossibility. As an example, the El Paso case took 17 years and six trips to the Supreme Court to resolve. In the first ruling, the Supreme Court held that merger was clearly illegal. In the next five opinions, the Court wrestled with complex procedural points raised by the massive, interminable divestiture proceedings. Over the years, El Paso reaped illegal profits of $24,000 a day, which were never disgorged. At every point, it opposed the single Government lawyer with a corps of 30 attorneys. And it was said that the divestiture would not be completed until

all the children of all the attorneys are through college.

Other divestiture orders, after years of litigation, have resulted in sales of useless assets or corporate shells devoid of competitive ability.

Like the problem, the solution is clear. It is that our antitrust enforcement agencies be given adequate notice of impending large mergers so that they may judge its competitive aspects before the merger goes through, thereby saving the courts, the corporations, and the Government years of frustration and the ultimate futility that all too often follows.

Let me emphasize that this bill makes no changes in the substantive law of mergers. The bill provides that mergers between firms worth more than $100 million, and other firms worth more than $10 million, shall be subject to a 30-day premerger notification requirement. In that time the Government can request additional information, and have up to 20 more days to analyze it.

The bill is carefully crafted to provide exemptions for investment, and for those industries already subject to other merger statutes, or where the nature of the merger is such that there could not possibly be any anticompetitive aspects.

Actually, the terms of the bill are such that it will reach only about the largest 150 mergers a year—for those are the ones that are the most difficult to "unscramble."

This legislation has been a long time in coming. I myself reported a similar—and more stringent—measure in 1961. And in 1957 a similar measure endorsed by President Eisenhower passed the House unanimously.

Thus, it is fitting that this measure, like the antitrust civil process bill we considered earlier, is a bipartisan effort. The measure is cosponsored by all the minority members of the Monopolies Subcommittee. It was reported by the Judiciary Committee by a rollcall vote of 29 to 0. It is supported by the FTC, the Department of Justice, and this administration.

It is time for the House to pass this bill. A similar measure has already passed the Senate by a vote of 67 to 12. With this legislation, we will finally realize our objective of significantly improving our Nation's antitrust laws in the 94th Congress.

Mr. LANDRUM. Mr. Speaker, will the gentleman yield?

Mr. RODINO. I yield to the gentleman from Georgia.

Mr. LANDRUM. I thank the gentleman for yielding.

Is the requirement for prenotification of merger retroactive or prospective?

Mr. RODINO. It is prospective.

Mr. LANDRUM. If firms now negotiating a merger, each of which or one of which has notified the Federal Trade Commission and the Department of Justice, does this legislation have any bearing on that at all, on the present negotiations for a merger?

Mr. RODINO. I must advise the gentleman that, first of all, this legislation would not be effective until 180 days after enactment of the legislation. Therefore, it would not affect those corporations, unless their acquisition is consummated more than 180 days after enactment.

Mr. LANDRUM. If the gentleman will yield further, so far as negotiations underway, to which notification has been addressed to the Federal Trade Commission and to the Department of Justice, it would have no bearing on this for at least 180 days?

Mr. RODINO. That is correct.

Mr. LANDRUM. If the negotiation is completed within 180 days, then there is no relation whatever?

Mr. RODINO. That is correct, so long as consummation occurs within 180 days after enactment.

Mr. LANDRUM. If it is not completed within 180 days, would they have to give additional notice, a new notice to the Federal Trade Commission and a new notice to the Department of Justice?

Mr. RODINO. Yes; I believe that if the acquisition were to take place 180 days or more after enactment, then this bill's requirements will apply.

Mr. LANDRUM. Really then we do not change any of the substantive regulations of section 7?

Mr. RODINO. That is correct.

Mr. LANDRUM. I thank the gentleman.

Mr. HUGHES. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, H.R. 14580, the Antitrust Premerger Notification Act, received the unanimous approval of the Judiciary Committee. It simply requires that large corporations give the Government advance notice of their merger plans.

The advance notice requirements of the legislation would make it easier for Federal antitrust officials to prevent large corporate mergers which could result in a restraint of trade or other violation of the Nation's antitrust laws.

One of the problems we have had is that our antitrust enforcement officials have not had an opportunity to evaluate big corporate mergers until after they have taken place. If it turns out that the merger results in an unlawful restraint of trade, unmerging the corporations can create a legal nightmare of endless litigation.

This litigation is extremely costly to both Government and the private sector. Ultimately, it is the consumer and the taxpayer which loses. And throughout this costly process, competition in the marketplace suffers.

This is one area where it can be truly said that "An ounce of prevention is worth a pound of cure."

If divestiture after a merger was an adequate remedy, there would be no need for this bill. But it is not. Often, years go by between the time of the merger and the time that it is declared unlawful. The two firms have been blended into one. Untangling the merged assets and management is like trying to unscramble an egg.

And the bigger the merger, the more hopeless the task. So the El Paso case took 17 years, and went to the Supreme Court six times, before that merger was unscrambled.

H.R. 14580 would require merging corporations to give advance notice of a proposed merger or acquisition to the Department of Justice and the Federal Trade Commission if three conditions are present:

First, the merging corporations are "in or affecting" interstate commerce; and

Second, the acquiring corporation exceeds the $100 million size limits, and the acquired firm exceeds the $10 million size limits; and

Third, the acquisition is a large and substantial one, exceeding 25 percent of the stock or assets of the acquired corporation, or stock or assets in excess of $20 million.

As a result of the limitations set forth in the bill, only the very largest mergers would be required to give advance notice. Of the several thousand mergers which have taken place annually over the last several years, only 150 per year would have met all three of the threshold requirements.

The merging corporations would be required to wait 30 days from the date that the basic information is submitted to the Department of Justice and Federal Trade Commission. These agencies could extend the waiting period by no more than 20 days if additional information is needed from the merging corporations.

I wish to stress that the legislation makes procedural, rather than substantive changes in the Nation's antitrust laws. It is designed to bring about more effective enforcement of our antitrust laws, which have as their ultimate goal the fostering and encouragement of competition among companies providing essentially the same goods or services.

It is supported by President Ford, the Attorney General, Treasury Secretary Simon, the Antitrust Division, the Federal Trade Commission, the American Bar Association, and many others.

The basic proposal is not new. President Eisenhower urged Congress to pass this measure for 5 straight years. The House unanimously passed a very similar bill in the 84th Congress. Recently, the Senate passed a similar bill by a vote of 67 to 12.

I urge my colleagues to vote favorably on this legislation which will put our Federal law enforcement officials in a better position to prevent the types of mergers which could decrease competition in the marketplace.

Mr. HUTCHINSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 14580, a bill to establish premerger notification and waiting requirements. The need for this legislation is based on the fact of life that the best and sometimes only remedy for an illegal merger is an injunction. But in order to obtain effective injunctive relief with regard to a violation, one must have information about the violation and have it in advance.

H.R. 14580 addresses that need by requiring merging corporations to notify the antitrust enforcement agencies, provide information requested on the notification form, and wait 30 days before consummating the merger. If additional information is necessary it may be requested. If requested within the 30-day waiting period, the waiting period is extended during the time the corporation takes to forward the information and for up to 20 days after receipt of the information.

The bill is a substantial improvement upon H.R. 13131, which was virtually identical with title V of S. 1284. When the other body considered premerger requirements, the focus of attention was on a provision that mandated that the merger be enjoined unless the defendant proved that the Government did not have a case or that there would be irreparable damage to others if the merger were enjoined.

This shift in the burden of proof was a radical departure from fundamental principles of Anglo-Saxon and American jurisprudence. That unorthodox provision was finally deleted in the other body and was likewise deleted in our committee's deliberations.

Nonetheless, major differences exist between the committee's bill and the corresponding provisions adopted in the other body and which now lie pending as part of a Senate amendment to H.R. 8532. In my opinion, the bill before us is superior on all counts.

First. The Senate amendment would allow the Government to extend the waiting period indefinitely. In other words, the Senate amendment would permit the Government to thwart any acquisition. The way this would be done under the Senate amendment is as follows: Within the 30-day waiting period the Government could request additional information. When provided, the Government would be given up to 20 days to review it before the waiting period expired. But during those 20 days another request for information could be made, again extending the waiting period. Of course, during that extension additional requests and additional extensions could occur.

The committee bill does not permit such indefinite extensions. Rather only one 20-day extension is permitted. Thus H.R. 14580 provides a time certain for the termination of the waiting period so that the merger may take place.

Second. The Senate amendment would provide that any capital transaction between covered corporations would trigger the premerger notification and waiting requirements. Thus if Hecht's wishes to sell a delivery truck to Garfinckel's, Hecht's would be obligated to pursue the same steps as if it were merging, since the sale of a delivery truck by Hecht's is not a sale in the ordinary course of business.

To avoid this overbreadth, the committee bill provides a substantiality test: namely, that as a result of the transaction, the acquiring corporation must possess 25 percent or $20 million worth of the acquired corporation's voting stock or assets. Thus capital transactions having little or no effect on competition would not trigger the bill's requirements.

It appears from the committee report that one member of the committee believes that 25 percent and $20 million figures are too high a test. In criticizing the 25-percent test, the Additional Views refer to several statutes on different subjects where a lower percentage is employed. If the percentage test were the only test of substantiality, the cited statutes might provide appropriate guidance. But the $20 million figure, in effect, operates to reduce the percentage required as the transaction gets larger. Thus the two-pronged committee test is both more flexible and more exact than other statutory tests.

Third. The Senate amendment would confer authority upon the enforcement agencies to reach any and all transactions between corporations even smaller in size than those covered by the express guidelines. The grant of discretion to enforcement agencies to enlarge the coverage of a law is most unusual. It is quite different from the normal prosecutorial discretion which allows for nonprosecution in cases where the application of the law would not fulfill the legislative purpose. The Senate amendment would confer authority to extend coverage beyond the legislated guidelines. The committee bill, in contrast, confers no such authority.

Fourth. Although it is not the purpose of this legislation to have any substantive effect on the antitrust laws or in any other area, the Senate amendment would give no recognition to the fact that the general provision of the bill would stifle the making of cash tender offers and inhibit the flow of capital and thus prevent certain procompetitive acquisitions under the guise of procedural reform. In contrast, the committee bill takes into account the sensitive nature of cash tender offers and the special need for prompt review by limiting the waiting period to 21 days without opportunity for extension by the enforcement agencies

I cannot emphasize too strongly that it is the sole purpose of this legislation to provide an opportunity to enforcement agencies to preview mergers and not in any way alter the normal flow of capital.

Thus it can be seen that the committee made significant improvements in the legislation. In this form, the committee bill deserves the support of every Member of this body.

Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. KINDNESS).

Mr. KINDNESS. Mr. Speaker, I thank my colleague for yielding this time to me.

Mr. Speaker, I rise to express support of the concept embodied in the bill, but to raise an issue that was presented, admittedly, at the last minute in the committee in its consideration of this bill.

The concern that I have makes it, I believe, inappropriate for the bill to be considered under suspension of the rules because I think there is something to be considered here that is of a serious nature.

On page 19 of the bill, starting at line 4, it reads that the Justice Department, the Federal Trade Commission and the Assistant Attorney General may do certain things. One of the things that they may do that is discretionary and nonmandatory is to define the terms used in this section of the bill. Ordinarily the delegation of that duty is made mandatory and not stated in terms of "may." It should be "shall."

Admittedly, I did not offer an amendment in the committee to change that word "may" to "shall." In the rush of affairs on that occasion, I felt that there might be an opportunity to do so on the floor. There is not that opportunity under suspension of the rules.

Mr. Speaker, it is something that I think certainly should be considered in the conference on the measure because we are talking about such basic things as defining the terms used right here in the bill. Ordinarily, that should be mandatory rather than discretionary.

Mr. HUGHES. Mr. Speaker, will the gentleman yield?

Mr. KINDNESS. I yield to the gentleman from New Jersey.

Mr. HUGHES. Mr. Speaker, may I ask what type of amendment my colleague, the gentleman from Ohio (Mr. KINDNESS), would offer that would, first of all, make any significant changes?

It is important that the Congress give some discretion to the agencies that have the duty to carry out the antitrust functions to defense terms and to make additional exceptions.

Mr. KINDNESS. On a mandatory basis; just changing the word "may" to "shall," as applied to the definition of the terms used.

Incidentally, the bill, as printed, says define the "term," rather than the "terms," (plural). It is "term," singular.

The second thing that is in this discretionary power is to exempt classes of corporations in the acquisition or transfer transactions which are not likely to violate section 7 of this act from the requirements of this section. That should be discretionary rather than mandatory, of course.

However, it does occur to me that there ought to be some guidelines established to follow in the making of such exemptions.

Third, they may increase the percentage specified in subsection (C)(8), which would be a liberalization of the actual statutory terms for which the bill is enacted. If they are to liberalize, we should provide some guidelines therefor.

The SPEAKER pro tempore. The time of the gentleman from Ohio (Mr. KINDNESS) has expired.

Mr. HUTCHINSON. Mr. Speaker, I yield 1 additional minute to the gentleman from Ohio.

Mr. KINDNESS. Mr. Speaker, I thank the gentleman from Michigan (Mr. HUTCHINSON), the ranking minority member of the Committee on the Judiciary, for yielding me this additional time.

The liberalization of any statutory provision, it seems to me, should have some guidelines established by the Congress when the legislation is enacted.

The liberalization that is referred to in terms of increasing that percentage is, of course, limited at 25 percent instead of at 10 percent in subsection (C)(8), I suppose, which is in the general context of the bill; but it does not even say that.

Therefore, Mr. Speaker, I would urge that this is something that ought to be considered more closely, with the opportunity to make some guidelines available to the Federal Trade Commission and the Assistant Attorney General for the carrying out of those statutory functions.

Thus, Mr. Speaker, I would urge a

negative vote on the motion to suspend the rules and pass the bill.

Mr. HUTCHINSON. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Speaker, I thank the gentleman for yielding.

I would like to direct a question to my colleague, the gentleman from New Jersey (Mr. HUGHES), the able gentleman handling this bill.

I would like to know where in H.R. 14580 it specifically exempts small businesses.

Mr. HUGHES. If the gentleman will yield, the definitions are at the very beginning of the legislation, in the first section which defines corporations of $100 million or more in total assets or net sales which acquire corporations with total assets of $10 million or more.

Would not my colleague, the gentleman from Ohio, agree that that is a fairly large corporation?

Mr. ASHBROOK. I am looking at the Federal Register, and I do not think that this bill necessarily would contain definitions of small businesses which would be uniformly agreed to.

Mr. HUGHES. If the gentleman from Ohio will yield further, we would have a very difficult job in trying to define small business; but I think that the standard that is used is carefully tailored to apply only to the 150 largest corporate acquisitions each year, and would exclude what is usually understood as a small business.

Mr. ASHBROOK. I certainly would agree with my colleague. However, my concern is that that is not exactly what H.R. 14580 does.

I have heard it said reliably that it could affect as many as 18,000 privately held, family-owned businesses in the country.

I do not think that that is exactly what we are trying to do.

I have read this carefully. Obviously, I am not the expert in it that my friend and colleague is.

However, knowing how bureaucracy interprets their authority sometimes and their mandate, maybe I have problems because I am used to dealing with HEW and other departments where, as the gentleman knows, they are likely to come up with regulations as they did the other day on the mother-daughter and father-son matter. They use anything that they can get hold of to launch out in the widest coverage they can dream of.

I am inclined to have concern as to whether or not we are really limited to the top 100 or 200 corporations.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. HUTCHINSON. Mr. Speaker, I yield 1 additional minute to the gentleman from Ohio.

Mr. HUGHES. Mr. Speaker, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from New Jersey.

Mr. HUGHES. Mr. Speaker, on that point, taking 1972, is it not a fact that if the criteria utilized in this bill were then the law, it would have affected some 59 mergers in this country? I do not have the exact figures for 1975, but I know that under 100 mergers would have been affected by the $100 million and the $10 million criteria set forth in this legislation. So we were talking of the largest merging corporations. They are the ones that have given us the most difficulty in the past. It is only that group that will be covered by this legislation.

Mr. ASHBROOK. If we only did that, I certainly would agree. I would have to admit I have some doubts.

I am opposed to suspending the rules in order to consider H.R. 14580. This bill would have effects which, I am afraid, have not yet been adequately explored. Floor debate and amendment will be our last chance to examine these problems carefully.

This legislation will affect businesses and individuals all over the country, in one way or another.

H.R. 14580 would require premerger notification when companies over a certain size acquire or merge with other companies, also over a certain size. It has been brought to my attention that this bill would actually affect as many as 18,000 private-held, family-owned, businesses, many of which are considered small businesses under existing Federal legislation. This bill would make it more difficult for these businesses to be transferred when their proprietors die or retire.

It seems quite anomalous to apply to such businesses the formal requirements and procedures of this bill, which are really intended, apparently, to curb potential excesses of big business. It would be useful, and prudent, to amend this bill to clearly indicate that it would only apply to businesses not considered "small" businesses under existing Federal law.

We must not deprive the House of its right to amend this bill, and to more thoroughly consider its consequences. H.R. 14580 should not be considered under a suspension of the rules.

Mr. ASHBROOK. Mr. Speaker, like my colleague, the gentleman from Ohio, I think we ought to vote this down and bring the bill back with an amendment where we can specifically say we intend to exempt small businesses.

Mr. HUTCHINSON. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. WIGGINS).

Mr. WIGGINS. Mr. Speaker, I thank the gentleman for yielding. I have asked for this time for the purpose of asking a question or two of the gentleman from New Jersey or the gentleman from Michigan.

It is my understanding that the covered companies must supply information respecting a contemplated merger to the Department of Justice and the FTC and that these agencies have a finite period of time within which to react to the information that has been given to them. They may, under certain circumstances, request additional information and delay a decision; but the bottom line is that they are asked to make a judgment in advance of the merger as to whether or not the merger which is contemplated would violate the antitrust laws. If they take the position that it does, then they have certain legal remedies to enjoin the merger. Am I stating the situation correctly?

Mr. HUGHES. That is correct.

Mr. WIGGINS. If the Department of Justice, for reasons known best to itself, does not elect to avail itself of that remedy, after the affected corporations have submitted the information, the Department of Justice is nevertheless permitted to avail itself of any statute to "unscramble the eggs" as my friend, the gentleman from Michigan (Mr. HUTCHINSON) has said. In other words, they are not foreclosed from later challenging the merger; is that correct?

Mr. HUGHES. That is correct.

Mr. WIGGINS. I do not doubt that they have the power to make the challenge. My question relates to possible defenses to such a challenge, in particular, estoppel. Estoppel, as the gentleman knows, is founded on the principle of simple fairness. If a corporation were to comply with the act in all respects and thereafter, in reliance upon the failure of the Department of Justice to take action, it consummates the merger, and perhaps suffers considerable economic detriment as a result, might not the Department of Justice be estopped from challenging the merger?

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. HUTCHINSON. I yield 2 additional minutes to the gentleman from California.

Mr. HUGHES. Mr. Speaker, if my colleague, the gentleman from California would yield, I would say, as my colleague well knows, it may be very difficult, if not impossible, for the Department of Justice within a 30-day period to make the kind of valued judgment that would have to be made and to secure sufficient proof so as to win a conviction in the court, so, as a result, the Justice Department obviously has to have the right to consider the anticompetitive nature of the merger that was shaped and to then seek the injunctive relief that is necessary, to so unscramble them or, to effectuate divestiture. I do not know how estoppel, under those circumstances, would be available as an equitable relief. Unless, of course, there were other things in connection with the inactivity by the Justice Department that would lend the court to act to apply estoppel, or any other relief to the merging party. As the gentleman from California well knows, we may or may not know of the anticompetitive nature of a particular merger for years. It would be, I think, unwise for us to tie the hands of the Department of Justice.

Mr. WIGGINS. I might agree with the gentleman as a matter of national policy, but in simple fairness to the parties, if they submit their deal to government and government has an opportunity to object and does not, and they rely upon that failure to object to their economic detriment, at least, they have the makings of an equitable defense.

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield?

Mr. WIGGINS. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I thank the gentleman for yielding.

As a matter of fact, there is a procedure whereby a corporation can get an advance opinion from the Department

of Justice as to whether they think a proposed merger is legal or not, but even then the Department of Justice or the FTC will normally state in their response that they do not consider themselves bound by their opinion.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. WIGGINS. Mr. Speaker, I yield 1 additional minute to the gentleman from Ohio.

Mr. SEIBERLING. And they reserve the right to challenge the proposed merger at some later date. So even though one gets such a "ruling", it does not preclude the Department of Justice from acting.

But I would agree that in a court of equity one would have a heavier burden of persuasion because of the fact that Justice did in such manner encourage the parties to go through with it.

Mr. WIGGINS. As I read this bill, it does not preclude the assertion of the defense of estoppel to a subsequent action. How the court may rule on the defense in any divestiture or other equitable proceeding is a matter to be determined in any given case.

Mr. SEIBERLING. I would not consider it a legal defense, but certainly something to be weighed along with everything else.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. HUGHES. Mr. Speaker, I yield 2 minutes to my distinguished colleague, the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Further responding to the point made by the gentleman from Ohio (Mr. ASHBROOK) the Small Business Association letter which he put in the RECORD apparently contains the statements that the gentleman was referring to about the application to small business. This bill essentially already exempts small business, and the letter is in error in implying that all businesses with sales or assets over $10 million would be brought into the scope of the bill. The example they give is of a wholesaler doing $22 million worth of sales, which would not come within the bill because he would be a nonmanufacturing corporation, and the bill expressly exempts nonmanufacturing corporations with assets of less than $10 million.

As a matter of fact, if we look at the regulations put out by the Small Business Administration—I am looking at one dated July 31, 1975—it states that for purposes of financial assistance by small business investment companies, a small business is one that does not have assets exceeding $9 million, which is $1 million less than the assets necessary to bring a nonmanufacturing corporation under this bill.

Again, they simply have not read the bill. However, if you have a business which might not be large by comparison to others but which is, nevertheless, in excess of $10 million in sales or earnings, or assets, it could be a very serious anticompetitive event to have it acquired by a huge company.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. HUGHES. I yield 1 additional minute to the gentleman from Ohio.

Mr. SEIBERLING. If one had an important patent or the major share of a particular regional market, or various other things where in the hands of a large company it could block competition in some serious way, the acquisition by a large company could well come under section 7 of the Clayton Act under certain circumstances, so this bill does draw a reasonable line.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank the gentleman for yielding.

I guess it is for that reason my colleague, the gentleman from Ohio, accurately—and he always tries to be accurate—indicated that it only essentially exempted small businesses. I notice he did not specifically state it exempted small businesses. What the gentleman is saying is that under some circumstances it might be advisable to have small business come under the provisions set out in this act.

Mr. SEIBERLING. In order to have something that can be administered without litigation, since the bill proposes a premerger notification procedure, we do not want to ensnare it in endless litigation. So we had to draw some clear-cut lines.

Mr. HUGHES. Mr. Speaker, I yield 1 minute to my colleague, the gentleman from Kentucky (Mr. MAZZOLI).

Mr. MAZZOLI. Mr. Speaker, I thank the gentleman for yielding.

I commend the gentleman on his leadership in the subcommittee and here on the floor of the House of in producing this bill. I think all of the various problems brought up are being very sincerely brought up, but at the same time all the problems were discussed in our subcommittee and then again in the full committee during consideration of the legislation.

All of them, whether involving coverage of the bill or the availability of the equitable argument of estopple to covered companies, all of these were discussed and considered at length in the committee.

This bill is another one of the tools, we talked about earlier today, that the Anti-Trust Division needs in order to sharpen their ability to enforce the existing antitrust law, and prevent, thereby, the inclination of this House, indirectly at least, to go into far more profound and sometimes unthought-out changes in the way American business can conduct its business.

This legislation is a good move in the right direction. I urge Members to vote for this bill.

Mr. HUTCHINSON. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. MCCLORY).

Mr. MCCLORY. Mr. Speaker, I thank the gentleman for yielding.

I rise in support of this legislation.

Mr. Speaker, this is another of the measures recommended by President Ford for promoting competition and benefiting consumers and the general economy.

I rise to express my very strong support for this bill which enables our antitrust law enforcement agencies to do a more effective job of enforcing the merger laws. It is very important that we improve our ability to prevent unproductive, anticompetitive mergers while avoiding interference with beneficial, procompetitive mergers. I feel that we have made such an achievement in this bill.

The bill simply establishes a procedure through which the Government is notified in advance of mergers between companies of certain sizes. All too often, the law enforcement agencies find out about a potentially illegal merger only after it has taken place. In merger law, there are no criminal penalties, of course. The object is to restore the market and the companies to their status prior to the merger, as best as can be done. The most common remedy imposed is to require the companies to separate again, but often this is very difficult and very expensive. It is extremely hard to put the market back the way it was before a merger, to "unscramble the eggs," so to speak.

During the hearings we had a great deal of testimony from Government and private lawyers about the extreme difficulty of separating two illegally merged companies and restoring the market to a competitive state. With this bill, we may be able to reduce these difficulties and make the merger law more effective.

This bill does not change the substance of the merger law at all, but it does provide the enforcement agencies with some advance notice that a merger is being planned. It gives the Government a sure chance to consider a merger before it is consummated and, hopefully, to stop it before it is completed if it is determined to be illegal. If it is illegal, it is much easier to do it this way than to accomplish a divestiture or spinoff later.

This notification program has been carefully designed to provide the Government with a better opportunity for stopping illegal mergers without reducing the vigor of procompetitive merger activity.

While I support this bill very strongly, Mr. Speaker, I would like to warn the enforcement agencies against one potential abuse of this new tool. I want to make it very clear that it is not the committee's intention that these new antitrust tools be misused by allowing the accumulation of "dossiers" on businesses for general enforcement purposes.

The purpose of these new antitrust weapons is simply to give the Government enough advance warning of mergers and enough information about them to enable the government to attempt to stop them prior to consummation if they thought to be illegal by Clayton Act standards. We do not intend to allow the Government to collect information about companies for other purposes or just to keep "dossiers" on hand. I believe that such a practice could easily lead to government harassment of business that can best be avoided before it starts. Thus, I would think it appropriate that the Government agencies obtaining information return whatever they receive and copies that have been made to the party producing the infor-

mation as soon as the purposes of this bill have been fulfilled.

Mr. HUGHES. Mr. Speaker, I yield such time as he may consume to my colleague, the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Speaker, the gentleman from Illinois (Mr. MCCLORY) pointed out that this is important consumer legislation, and in that connection I offer for inclusion in the record at this point, a letter dated August 2, 1976, from the Consumer Federation of America, strongly endorsing this bill and also H.R. 13489—Antitrust Civil Process Act Amendments—the bill we debated immediately preceding this one.

The letter points out that these are both "extremely important" from the standpoint of consumers.

Mr. Speaker, the letter I referred to from the Consumer Federation of America is as follows:

CONSUMER FEDERATION OF AMERICA,
Washington, D.C., Aug. 2, 1976.

Hon. WILLIAM J. HUGHES,
U.S. House of Representatives,
Cannon House Office Building,
Washington, D.C.

Hon. JOHN F. SEIBERLING,
U.S. House of Representatives,
Longworth House Office Building,
Washington, D.C.

DEAR REPRESENTATIVES HUGHES AND SEIBERLING: CFA, the nation's largest consumer organization, representing more than 30 million consumers, strongly supports two important antitrust bills which will be considered by the House today, H.R. 14580, the Antitrust Premerger Notification Act and H.R. 13489, the Antitrust Civil Process Act and Amendments of 1976.

"Big is better" is no longer accepted as gospel by the American public. A poll by Opinion Research Corporation in 1973 showed that 75% of the people believe that too much economic power is concentrated in a few large companies. In 1965, only 52% believed that. There is a growing realization that monopoly and oligopoly power has the serious potential of concentrating such enormous economic power in the hands of a few that those few are able to transcend effective government and public control.

For example, the soup and cereal industries are dominated by less than three large companies. A 1967 Census Bureau report showed that in over half of the metropolitan retailers held over 50% of the market. Monopoly/oligopoly power is not limited to the food industry. We see daily examples of it in the petroleum, automotive, bottling, banking and virtually every major segment of the market.

Consumers pay a high price for monopoly power. Assistant Attorney General for Antitrust Thomas E. Kauper has estimated that lack of competition in our economy costs $80 billion. In 1974 prices rose 23% in a group of concentrated industries while maintaining essentially status quo levels in competitive industries as reported by Gardiner Means. In fact, according to a 1972 FTC staff estimate, the monopoly overcharges by 100 industries topped $15 billion.

Regardless of whether a company acquires a competitor within its own industry (e.g. one steel company merging with another steel company) or acquires across industry lines (e.g. a transport company purchasing a tuna plant), the impact is the same. Huge conglomerate can, for example, put more money into advertising which does nothing to lower the product price or enhance its quality. As a result of such massive advertising, smaller companies find it exceedingly difficult to compete and either go out of business or are themselves absorbed in a merger.

You have before you today two extremely important antitrust measures which would create effective mechanisms for improving antitrust enforcement.

1. Premerger/H.R. 14580 The Antitrust Premerger Notification Act.

By requiring large firms to make their merger plans known in advance, this bill would provide the Justice Department with the ability to seek injunctive relief to prohibit the consummation of illegal mergers under the Clayton Act. There is no justification for consumers having to suffer the effects of illegal mergers when such mergers could have efficiently and expeditiously been avoided. Once a merger is consummated it is unrealistically difficult to untangle the assets, management and technology of the merged firms in order to provide consumers with adequate relief.

The average Clayton case lasts five to six years, taking a heavy toll on limited government antitrust enforcement resources. During this period, a company which is in violation of the law, is illegally accumulating profits, as well as other assets, all at the consumers expense! The case of El Paso Natural Gas dragged on for 17 years before it was decided in favor of the government. The situation is even more shocking when it is realized that in over 90% of the non bank Clayton cases the merger was ruled to be illegal!

If anything the terms of this legislation are too reasonable; the charge that this law will lead to frivolous cases and that the Justice Department will shoot from the hip are totally unfounded. Over 3000 mergers are consummated annually. Yet the Senate Judiciary Committee has estimated that in the last five years less than 100 mergers would have qualified under this law. Likewise, the charge that the delay created in mergers will lead to a deterioration of capital markets is fallacious. Even the American Life Insurance Association has indicated that this legislation would "not adversely affect the capital markets".

2. CID/H.R. 13489 The Antitrust Civil Process Act Amendments of 1976.

The Justice Department is further hamstrung in its efforts to enforce the antitrust laws by its inability to gather evidence. Currently the Department may not issue a Civil Investigative Demand (CID) to any but non-natural persons (a corporation), and then only for documenting evidence. Further, the Department may not issue a CID in the investigation of a merger not yet consummated, although the Department may have reason to believe that such a merger would be in violation of the Clayton Act, and although the merger may have been publicly announced. These deficiencies are corrected by this bill.

It makes no sense for a government agency, charged with the detection and prosecution of crime to be unable to even investigate such crime until the crime has been committed. CFA notes with irony that if the issue were legislation to strengthen law enforcement in areas other than corporate crime, "law and order" advocates would be the first to criticize the bill as being too weak. How, then, can they possibly oppose this measure, unless motivated by pure self-interest?

It is ludicrous that all but official papers of a corporation should be exempt from investigation. This exemption includes informal handwritten notes of relevant meetings or conversations, as well as the conduct of company officials. Such evidence is clearly necessary for vigorous enforcement of the antitrust laws. Further, the Department cannot currently gather evidence from those who are not themselves under investigation. This includes the clearly relevant information that could be obtained from consumers, suppliers, competitors, former employees and trade associations as well as others. Broadening the scope of Justice Department investigations is legitimate as well as vital to rigorous antitrust enforcement.

Consumers deserve the strongest possible antitrust enforcement laws so that free enterprise in the marketplace can become a reality. These antitrust bills under consideration today are a vital step in the direction of equipping the government with common sense *preventive* measures in the area of mergers and in the area of strong investigative authority. We hope that you agree with CFA that consumers cannot afford to have these measures defeated.

Very truly yours,

CAROL TUCKER FOREMAN,
Executive Director.
KATHLEEN F. O'REILLY,
Legislative Director.

Mr. HUGHES. Mr. Speaker, in conclusion, I just urge my colleagues to vote to suspend the rules and pass H.R. 14580.

The New York Times characterized this piece of legislation and the CIA legislation as probably the most important antitrust legislation to come before the Congress in several decades.

Mr. Speaker, I have no additional requests for time.

Mr. HUTCHINSON. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. HUGHES) that the House suspend the rules and pass the bill (H.R. 14580), as amended.

The question was taken.

Mr. ASHBROOK. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3(b), rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. HUGHES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of the bill (H.R. 14580).

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

There was no objection.

THREE-JUDGE COURTS

Mr. KASTENMEIER. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 537) to improve judicial machinery by amending the requirement for a three-judge court in certain cases and for other purposes.

The Clerk read as follows:

S. 537

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled, That section 2281 of title 28, United States Code, is repealed.

SEC. 2. That section 2282 of title 28, United States Code, is repealed.

SEC. 3. That section 2284 of title 28, United States Code, is amended to read as follows:

"§ 2284. Three-judge court; when required; composition; procedure

"(a) A district court of three judges shall be convened when otherwise required by Act of Congress, or when an action is filed chal-