

Mr. Dowdy. You mentioned the Tydings bill and what other bill?

Mr. Smith. H.R. 18541, the model bill.

Mr. Dowdy. You mentioned the Tydings bill and some other bill. What was that?

Mr. Smith. The Tydings bill and H.R. 18541, the model bill.

Mr. Dowdy. Is the Tydings bill the same as the Patten Amendment?

Mr. Smith. It is my understanding they are the same.

Mr. Dowdy. That is what we need the comparison with.

Mr. Smith. The Tydings bill and the Patten Amendment to the Omnibus Housing Bill, in my understanding, are one and identical bills.

Mr. Dowdy. And now you are comparing the Tydings bill and this bill?

Mr. Sisk. Mr. Chairman, while we are on that subject, we have a bill here by Mr. Brasco, H.R. 18149, and one by Mr. Diggs, H.R. 17647, and one by Mr. O'Konski, H.R. 17607, and of course Mr. McMillan's bill, H.R. 18541, which we have considered at some length. I don't know if the witness has compared these other bills. I don't know the difference between these bills.

Mr. Dowdy. I don't either. Are either of these bills identical to the Tydings bill or the Patten Amendment?

Mr. Smith. I am not familiar with the bills except Mr. O'Konski's.

Mr. Dowdy. I understand his is different from the Tydings bill.

Mr. Smith. Yes, in some aspects.

Mr. Dowdy. All right.

Mr. Smith. The two major distinctions between the Tydings bill and H.R. 18541, the so-called model bill of the industry, are these in our observations and studies: Mr. Nangle hit upon one of them, and that is the all-encompassing power lodged in the Commissioner of the District of Columbia. In the States where similar type programs have been created and exist today—the automobile assigned risk insurance plan, the inspection insurance plans with large urban areas—all of these have been drafted by the industry, proposed by the industry, and operated by the industry, with the regulation and the approval and the supervision of the State Insurance Department. All we would ask in this bill here or in the District of Columbia is a similar situation. Simply because the insurance industry, we believe, over the years has more expertise in the insurance field in the providing of policies or coverages, the market generally, we would say certainly the regulator, whether at the Federal level, State level or local level, should have the authority to approve or disapprove of any unreasonable or unfair operations of any industry, whether it be the insurance industry or otherwise. But we think the operation, because we here in this particular instance are putting our money in it—the basic money is the insurance companies' money—we think we should have some say-so in it. This is one of the major differences.

Another difference between the Tydings bill and the model bill is the funding arrangement for paying off these claims and the losses which will occur under the program. In our bill we call for appropriations. This would be, I think, the most optimum type of operation because you know the money is there, there is no inequitable assessment against anyone else, and it could be administered.

Mr. Dowdy. What do you mean by appropriation? Do you mean out of the Federal Treasury?